

**City Council Questions and Answers for
Thursday, April 21, 2016**

These questions and answers are related to the
Austin City Council meeting that will convene at 10:00 AM on
Thursday, April 21, 2016 at Austin City Hall
301 W. Second Street, Austin, TX



Mayor Steve Adler
Mayor Pro Tem Kathie Tovo, District 9
Council Member Ora Houston, District 1
Council Member Delia Garza, District 2
Council Member Sabino "Pio" Renteria, District 3
Council Member Gregorio Casar, District 4
Council Member Ann Kitchen, District 5
Council Member Don Zimmerman, District 6
Council Member Leslie Pool, District 7
Council Member Ellen Troxclair, District 8
Council Member Sheri Gallo, District 10

The City Council Questions and Answers Report was derived from a need to provide City Council Members an opportunity to solicit clarifying information from City Departments as it relates to requests for council action. After a City Council Regular Meeting agenda has been published, Council Members will have the opportunity to ask questions of departments via the City Manager's Agenda Office. This process continues until 5:00 p.m. the Tuesday before the Council meeting. The final report is distributed at noon to City Council the Wednesday before the council meeting.

QUESTIONS FROM COUNCIL

1. Agenda Item # 3: Approve an ordinance amending the Fiscal Year 2015-2016 Austin Resource Recovery Fund Operating Budget (Ordinance No. 20150908-001) to transfer out \$1,200,000 and amending the Fiscal Year 2015-2016 Austin Resource Recovery Capital Budget (Ordinance No. 20150908-002) to transfer in and appropriate \$1,200,000 from the Austin Resource Recovery Operating Budget for FM 812 Landfill repairs.
 - a. QUESTION: 1) Was this action associated with the reManufacturing Hub project? 2) Why are we moving funds from Capital Budget and not using Operating funds? COUNCIL MEMBER GALLO'S OFFICE
 - b. ANSWER: See attachment.
2. Agenda Item # 4: Approve a resolution authorizing the City Manager to apply for loans from the Texas Water Development Board (TWDB) in an amount not to exceed \$80,195,000 as part of the TWDB's State Water Implementation Fund for Texas loan program for the development and implementation of a smart meter system for Austin Water. Related to Item # 5.
 - a. QUESTION: 1) What is the roll out plan for the smart meters including # of units per year, sections of the city to be done (and in which order), and additional cost to customers? 2) How many smart meters will this purchase? 3) Will this \$80,195,000 cover all the capital costs? If not, what are the total expected costs to roll this out? 4) What technology is the city expected to use? 5) What other infrastructure is needed? 6) Which customers will this impact (all customers with 5/8" and 3/4" meters, etc.)? 7) How will smart meters effect the operations and maintenance costs for the city? 8) What are the terms of the TWDB loan? COUNCIL MEMBER ZIMMERMAN'S OFFICE
 - b. ANSWER: As part of the Texas Water Development Board (TWDB) funding application process, the City must obtain Council authorization to proceed with the next steps of the State funding process. Austin Water is currently analyzing the feasibility of smart meter technology and systems. Austin Water has not made any decisions on the project details requested by Council. This project will take approximately 5-7 years to complete and replace

approximately all 230,000 meters city-wide. This funding request, if approved by the TWDB, would allow for project spending to commence regarding the technology feasibility work, and be available in later years for project planning and implementation. If approved by the TWDB, project funding would be available throughout the 5-7 year project. TWDB sets the terms of these loans each year. The terms being offered by TWDB for the first year of funding that Austin Water is seeking would generally be a 20-year term at an interest rate that is a discount of 35% from the current market rate for the AAA rated State of Texas. While the City's application seeks funding over multiple years, we would have separate loan closings each year, in accordance with TWDB rules. The City would not be under any obligation to close on loans in the out years, and can reevaluate the loan terms each year to make sure that continuing on with the loans would still be in the City's best interest.

- c. QUESTION FOLLOW-UP: 1) How much is the average monthly bill expected total increase in each of the following years due to this program, above the current average 2015-2016 monthly bill? FY 2016-2017 FY 2017-2018 FY 2018-2019 FY 2019-2020 FY 2020-2021 FY 2021-2022 FY 2022-2023 FY 2023-2024. 2) Provide the fiscal impact related to the TWDB loan application for the development and implementation of a smart meter system for Austin Water. COUNCIL MEMBER ZIMMERMAN'S OFFICE
 - d. ANSWER: See attachment.
 - e. QUESTION: 1)) Will the \$80.2M include removal of existing meters system-wide, installation of smart meters system-wide, replacement and installation of all necessary infrastructure and technology, database costs to collect the data, customer interface, other necessary capital costs, yearly operations, new employees salary and benefits, and maintenance of the project and any other new costs incurred by the Water utility as a result of this new infrastructure? 2) What are the total of all of these costs projected out over 10 years? 3) How will those costs impact rates? 4) What other utility spending can be decreased to offset expected rate increases? COUNCIL MEMBER TROXCLAIR'S OFFICE
 - f. ANSWER: See attachment.
3. Agenda Item # 5: Approve a resolution authorizing the City Manager to apply for funding from the Texas Water Development Board (TWDB) for loans in an amount not to exceed \$86,980,456 as part of the TWDB's State Water Implementation Fund for Texas loan program for the implementation of multiple capital improvement projects associated with Austin Water's wastewater and reclaimed water systems. Related to Item # 4.
 - a. QUESTION: 1) How much is the average monthly bill expected total increase in each of the following years due to this program, above the current average 2015-2016 monthly bill? FY 2016-2017 FY 2017-2018 FY 2018-2019 FY 2019-2020 FY 2020-2021 FY 2021-2022 FY 2022-2023 FY 2023-2024? 2)

Provide the fiscal impact related to the TWDB loan application for the development and implementation of wastewater and reclaimed water system improvements for Austin Water. COUNCIL MEMBER ZIIMERMAN'S OFFICE

- b. ANSWER: See attachment.
 - c. QUESTION: 1) How much total debt does Austin Water have currently? 2) When was the last time the City requested loans from TWDB? 3) What were the terms of those loans? 4) If the City could not use TWDB loan programs, how would AW fund these projects? 5) Does the Utility have limits on how much debt it can issue in a single fiscal year? 6) What will be the impact to rates to add this additional debt? COUNCIL MEMBER TROXCLAIR'S OFFICE
 - d. ANSWER: See attachment.
4. Agenda Item # 9: Authorize negotiation and execution of a one-year contract with CAPITAL INVESTING IN DEVELOPMENT AND EMPLOYMENT OF ADULTS, INC. (CAPITAL IDEA), for workforce development services, for a total contract amount not to exceed \$350,000.
- a. QUESTION: Are there performance measures available for review on these existing contracts with Capital IDEA? Namely, have we seen significant impact on the number of applicants/graduates and their earning capacities? COUNCIL MEMBER TROXCLAIR'S OFFICE
 - b. ANSWER: Performance measures for the existing contracts include output measures for the number of clients served through various programs and subsequent employment of those clients. Percentage based outcome measures reflect employment at living wage levels success rates and employment retention. See pages 19-20 of the attached existing contract for a complete list of the performance measures (Attachment 2). Also attached are the 2016 performance goals for the current contract (Attachment 3). The Economic Development Department is working with the Health and Human Services Department to compile data that captures past performance.
 - c. QUESTION: 1) Please provide historical funding data for Capital IDEA and any proposed funding for future budget cycles? 2) Please provide examples of current performance measures to include numbers served, number who finish the program, number employed, etc. 3) What exactly will the \$350,000 in one time funding be used for? COUNCIL MEMBER HOUSTON'S OFFICE
 - d. ANSWER: See attachment.
5. Agenda Item # 11: Approve an ordinance authorizing the issuance and sale of tax-exempt City of Austin, Texas, Water and Wastewater System Revenue Refunding Bonds, Series 2016, in a par amount not to exceed \$295,000,000, in accordance

with the parameters set out in the ordinance, authorizing related documents, approving the payment of the costs of issuance, and providing that the issuance and sale be accomplished by January 31, 2017. Related to Item # 6 and # 12.

- a. QUESTION: 1) What are the expected commissions (or fees) for setting up and selling these Revenue Refunding Bonds? 2) Which firm(s) are expected to receive these commissions (or fees)? COUNCIL MEMBER ZIMMERMAN'S OFFICE
 - b. ANSWER: See attachment.
6. Agenda Item # 13: Authorize execution of an interlocal agreement with the University of North Texas for collaborative research on use of robotics in emergency response.
- a. QUESTION: Section V (A) states that the City shall be responsible for its costs associated with this Agreement. What costs will the City incur? COUNCIL MEMBER ZIMMERMAN'S OFFICE
 - b. ANSWER: The average hourly cost for a Robotics Emergency Deployment (RED) Team member (AFD Firefighter) to participate in this agreement will be about \$43.68. This is the average hourly cost for overtime pay for all ranks in the fire department. It is expected that RED Team members will be involved with this collaborative research on average of about 8 to 16 hours per month.
7. Agenda Item # 14: Authorize execution of an interlocal agreement with the University of Texas' Cockrell School of Engineering, for aerial robotics education and research in support of fire and water search and rescue.
- a. QUESTION: 1) Section V (B) states that the City shall be responsible for its costs associated with this Agreement. What costs will the City incur? 2) What is the difference between Agenda item 13 and 14? They seem fairly similar. COUNCIL MEMBER ZIMMERMAN'S OFFICE
 - b. ANSWER: 1) The average hourly cost for a Robotics Emergency Deployment (RED) Team member (AFD Firefighters) to participate in this agreement will be about \$43.68. This is the average hourly cost for overtime pay for all ranks in the fire department. It is expected that RED Team members will be involved with this collaborative research on average of about 8 to 16 hours per month. 2) The vision of the Austin Fire Department is to enhance firefighter safety and improve emergency response through the assessment and implementation of emerging technologies, such as robotics. Collaborating with the various educational institutions provides the fire department with a multi-dimensional approach toward understanding the various uses and benefits of robotics. The differences between Agenda item 13 and 14 are as follows: The University of Texas agreement will allow for collaboration on a process that utilizes UAV's to monitor traffic corridors following a disaster. In addition to

evaluating the various rescue simulations and scenarios that support UAS design and education for public safety, The agreement with the University of North Texas will focus on communications network technology. The goal is to utilize UAV's to maintain and sustain an ad hoc communications network during the aftermath of a disaster. Both of these agreements allow for continued study on the capabilities of robotics technology and how it can help facilitate increased situational awareness and incident command decisions at emergency scenes.

8. Agenda Item # 16: Approve a resolution directing the City Manager to include a partial exemption from ad valorem taxes for certain historically-designated properties in budget calculations for the coming year; to provide this resolution to the Austin Independent School District; and to prepare an ordinance approving these partial exemptions to be considered by Council concurrently with the annual tax levy.
 - a. QUESTION: 1) Are all of these in Austin ISD? 2) Are there any historically-designated properties that are in the City, but not in Austin ISD? If so, which ones and why is the list only provided to Austin ISD? COUNCIL MEMBER ZIMMERMAN'S OFFICE
 - b. ANSWER: 1) Yes. 2) No. All of the City's historic landmarks are within the boundaries of the Austin Independent School District.
9. Agenda Item # 17: Authorize award and execution of a 36-month contract with ATMOS RESEARCH AND CONSULTING to provide an evaluation of climate change impacts on hydrology in an amount not to exceed \$116,000.
 - a. QUESTION: 1) What is the City getting for its \$116,000? 2) Did this go out for bids? COUNCIL MEMBER ZIMMERMAN'S OFFICE
 - b. ANSWER: See attachment.
 - c. QUESTION FOLLOW UP: 1) What specific qualification and expertise does the ATMOS Consultant provide? 2) Provide a scope of work, task associated with scope and proposal. COUNCIL MEMBER ZIMMERMAN'S OFFICE.
 - d. ANSWER: See attachments.
10. Agenda Item # 22: Authorize award and execution of a 36-month contract with ECOCUTTER to provide grounds maintenance of right of ways, medians, and urban trails in an amount not to exceed \$579,006, with three 12-month extension options in an amount not to exceed \$193,002 per extension option, for a total contract amount not to exceed \$1,158,012.
 - a. QUESTION: 1) How is this different than the Feb 25, 2016 Agenda Item # 26: Authorize award and execution of a 60-month contract with TIBH INDUSTRIES, INC. to provide landscaping maintenance services at various

City facilities in an amount not to exceed \$4,875,000. Did TIBH Industries, Inc bid on item 22? 2) Who had the previous contract and what were the general terms? 3) Did the previous contract include conditions regarding the City's Climate Protection? 4) Has the City received any complaints from MBE /WBE regarding not being able to bid, or not bidding due to the City's Climate Protection initiatives? COUNCIL MEMBER ZIMMERMAN'S OFFICE

b. ANSWER: See attachment.

c. QUESTION: 1) Do we have any information available on how much more it costs to use "clean-burning and alternative fuel equipment" so that we can do a cost-benefit analysis in aiming to reduce carbon dioxide emissions? 2) In the RCA it states "The City's Climate Protection team included emissions reduction guidelines within the scope of work which included the use of alternative fuels instated of gasoline in the large engine lawn equipment. Carbon emissions will be reduced by approximately 20-40% when compared to gasoline emissions." What Carbon emissions is this referring to? COUNCIL MEMBER TROXCLAIR'S OFFICE

d. ANSWER: 1) The use of "clean-burning and alternative fuel equipment" costs about \$0.28 per gallon more; propane emits 5.72 kg CO₂ per gallon when burned and gasoline emits 8.78 kg CO₂ per gallon burned. Following is a carbon dioxide emissions cost-benefit analysis: Current gasoline cost per gallon = \$1.84 Current propane cost per gallon= \$2.12. Assuming it requires 1,000 gallons to complete the work. Propane fuel costs = \$2,120 and Gasoline fuel cost = \$1,840. Using propane costs \$280 more. Propane emits 5720 kg CO₂ and Gasoline emits 8780 kg CO₂. Using propane avoids 3,060 kg CO₂ or 3.06 metric tons of CO₂. Therefore, at these current prices, by using propane we pay $(\$280/3.06) = \91.50 per avoided ton of CO₂ to the atmosphere. 2) Robert Grotty, from the Street & Bridge department, stated it is the carbon dioxide which is one of the main emissions gases released from gasoline engines.

e. QUESTION: 1) Please provide a list of the M/WBE contractors that were solicited. 2) Please provide the date the solicitation went out, and the date the response was due? 3) Is there an allowance or stipend offered or made available for the clean burning and alternative fuel powered equipment that is preferred by the City? Was this criteria noticed in the solicitation? 4) Was this a contract for the lowest bidder? Or locally preferred? COUNCIL MEMBER HOUSTON'S OFFICE

f. ANSWER: See attachment.

11. Agenda Item # 23: Authorize negotiation and execution of an 18-month contract with SORENSON FORENSICS, LLC, or one of the other qualified offerors to Request for Proposal EAD0125, for the Austin Police Department's sexual assault backlog elimination program for a total contract amount not to exceed

\$1,180,000.

- a. QUESTION: 1) How many sexual assault kits has APD received in each of the past 5 years? 2) How many kits has APD processed in-house for each of the past 5 years? 3) What is the plan/schedule for the number of kits that Sorenson Forensics will test each month? 4) After the backlog is caught up, what is the plan to keep APD caught up going forward? COUNCIL MEMBER ZIMMERMAN'S OFFICE
- b. ANSWER: 1) An average of 385 new sexual assault kits are collected by APD per year. 2) APD processes an average of 300 kits per year. 3) For this contract, APD will send a total of 2,000 kits to Sorenson Forensics. Sorenson Forensics has the capacity to process 1,500 cases per month. The actual amount of cases to be sent per month will be determined by APD, and will be dependent on staff availability to package and ship the kits. Also, the number may vary depending on the number of cases that Sorenson Forensics can handle at that particular time along with their other agency caseloads. 4) This contract will significantly reduce the backlog; to address future caseload, APD has requested two DNA Analysts positions in the initial funding request for Fiscal Year 2017.
- c. QUESTION FOLLOW-UP: The Q&A said APD receives about 385 kits a year and processes about 300 kits a year. That means that only 85 kits do not get processed a year. Why is this bid for 2,000 kits? That is like 23 years' worth of kits that APD couldn't process. What is the current backlog of unprocessed kits and how long has the oldest kit been in queue for processing? COUNCIL MEMBER ZIMMERMAN'S OFFICE
- d. ANSWER: The DNA kits being sent out are old sexual assault kits that were never forwarded to a laboratory for testing and some kits date back to 1990. Total sexual assault kits pending are approximately 2,700 kits. 166 kits are being sent to FBI under an FBI initiative, 407 kits were sent out under the Texas DPS initiative for Senate Bill 1636, and the remaining 2,000 are being analyzed utilizing the District Attorney New York (DANK) grant. The untested kits include 200 kits pending from 1990-1996 and 2,500 kits pending from 1997 – 2011. The APD Lab did not start performing DNA analysis until 2004, and until that time these were being forwarded to Texas DPS for analysis. The DANY grant allows APD to submit untested sexual assault kits for analysis and subsequent testing. These cases were never submitted to a laboratory based on the discretion of the investigator and dependent on the circumstances surrounding the case. The grant will allow APD to eliminate 2,000 of these untested sexual kits, and between the three initiatives will eliminate 2,573 untested kits.

12. Agenda Item # 24: Authorize award and execution of a 36-month contract with ALEON PROPERTIES, INC. (MWBE), to provide graffiti removal services in an amount not to exceed \$309,000, with three 12-month extension options in an amount not to exceed \$103,000 per extension option, for a total contract amount

not to exceed \$618,000.

- a. QUESTION: 1) Why did Woods Maintenance Services, Inc withdraw their bid? 2) Will this graffiti removal include any graffiti on Austin Energy assets, including ones that are not in the City limits? 3) Is there a Service Level Agreement for how quickly Aleon Properties, Inc will remove the graffiti after being notified of it (including on Austin Energy assets that are outside the City limits)? 4) What is the process if a resident notices graffiti on facilities or other City assets to have them removed? COUNCIL MEMBER ZIMMERMAN'S OFFICE
- b. ANSWER: See attachment.
- c. QUESTION: Was this contract the next lowest? COUNCIL MEMBER HOUSTON'S OFFICE
- d. ANSWER: Yes – After the bid from Woods Maintenance Services (now withdrawn), the bid from Aleon Properties was the next lowest bid received.

END OF REPORT - ATTACHMENTS TO FOLLOW

 *The City of Austin is committed to compliance with the Americans with Disabilities Act. Reasonable modifications and equal access to communications will be provided upon request.*

 *For assistance, please call 512-974-2210 or TTY users route through 711.*



Council Question and Answer

Related To	Item #3	Meeting Date	April 21, 2016
-------------------	---------	---------------------	----------------

Additional Answer Information

QUESTION: 1) Was this action associated with the reManufacturing Hub project? 2) Why are we moving funds from Capital Budget and not using Operating funds? COUNCIL MEMBER GALLO'S OFFICE

ANSWER:

1) No. The FM812 Landfill is closed to the public and no longer receives wastes. It is in the process of final closure through the requirements of the Texas Commission on Environmental Quality (TCEQ). The City experienced damage to a number of the FM812 Landfill Letdowns that was caused by heavy rainfall events in May and October 2015. Letdowns are designed and constructed to convey surface runoff of storm - rainwater flow from landfill caps. Letdowns reduce erosion of the landfill cover from storm events. An engineering design and analysis of the damage was conducted by an engineering firm and resulted in specifications for repairs. The repairs are necessary to meet state and federal requirements for landfill maintenance and closure.

2) ARR is requesting a transfer from the Operating Budget to the CIP Budget. The repair activity results in an improvement to an existing capital asset and is classified as a capital project expense.

The cost of the repairs (\$1.2M) was not included in the FY2016 Austin Resource Recovery Capital Budget necessitating the department's need for additional funding. The source of the additional funding is identified to be from the FY2016 Austin Resource Recovery Operating Budget – the ARR Operating Fund Reserve. The Operating Fund Reserve's purpose includes funding unusual and unanticipated situations such as the damages created by the heavy rainfall events. The City is also seeking FEMA reimbursement for damages sustained at the landfill, although the reimbursement is FEMA approved and dispersed after demonstrating full restoration and repair.



Council Question and Answer

Related To	Item #4	Meeting Date	April 21, 2016
Additional Answer Information			

QUESTION: 1) How much is the average monthly bill expected total increase in each of the following years due to this program, above the current average 2015-2016 monthly bill? FY 2016-2017 FY 2017-2018 FY 2018-2019 FY 2019-2020 FY 2020-2021 FY 2021-2022 FY 2022-2023 FY 2023-2024. 2) Provide the fiscal impact related to the TWDB loan application for the development and implementation of a smart meter system for Austin Water. COUNCIL MEMBER ZIMMERMAN'S OFFICE

ANSWER:

1) The Council action requested is to authorize only the application for funding to the Texas Water Development Board (TWDB) for the development and implementation of a smart water meter system. The TWDB has invited Austin Water to apply for funding for this project. This Council action is required to proceed with the submittal of the final application. This smart water meter project will benefit Austin Water through reductions in meter reading costs, provide operational benefits through increased system data, and provide customer value through enhanced conservation, water use information, and leak detection services. As Austin Water continues to develop feasibility and project planning strategies, we will provide further project updates to Council. Any future project contracts will also come to Commission and Council for consideration.

Austin Water has estimated the bill impact of the \$80.2 million project to develop and implement a smart water meter system through either traditional Austin Water financing and through a Texas Water Development Board (TWDB) loan.

Under the traditional Austin Water financing of this project, the 20-year average annual debt service would be \$5.3 million. The average annual debt service impact would result in an estimated 1.8% rate increase spread out over the 7 year funding of the project. The actual rate impact each year would depend on actual project spending.

Under the traditional Austin Water financing of this project, an estimated rate increase of 1.8% is expected with an estimated average monthly bill impact of 10.3 cents each year which would result in an estimated total monthly bill increase of \$0.72 over the 7 year implementation period for the average residential water customer using 5,800 gallons of water per month.

Under the TWDB loan financing of this project, the 20-year average annual debt service would be \$4.9 million, a reduction of \$0.4 million from the traditional Austin Water financing. The average annual debt service impact would result in an estimated 1.7% rate increase spread out over the 7 year funding of the project. The actual rate impact each year would depend on actual project spending.

Under the TWDB loan financing of this project, the rate increase of 1.7% with an estimated average monthly bill impact of 9.7 cents each year which would result in an estimated total monthly bill increase of \$0.68 over the 7 year implementation period for the average residential water customer using 5,800 gallons of water per month. The use of the TWDB financing is expected to save Austin Water approximately \$9.3 million over the 20-year term of the bonds.

2) A Council resolution authorizing Austin Water to apply for the TWDB SWIFT loan program is required as part of the application process. Submittal of an application for the SWIFT loan program is similar to getting pre-approval for a home mortgage and does not commit Austin Water to proceeding with the smart meter system project or to funding the project with SWIFT funding.

This smart water meter project will benefit Austin Water through reductions in meter reading costs, provide operational benefits through increased system data, and provide customer value through enhanced conservation, water use information, and leak detection services. Also note that Austin Water’s meter inventory is aging and large scale replacement of Austin Water’s meter inventory is expected over the next 5 – 10 years. As we look to replace a large portion of our meter inventory in the near future, this is an appropriate time to evaluate meter replacement options. Additional Council action would be required to move forward with the project and enter into a loan agreement with the TWDB. As Austin Water continues to develop feasibility and project planning strategies, we will provide further project updates to the Water and Wastewater Commission, the Public Utilities Committee and Council. We will be asking the question: should Austin Water develop and implement a utility wide smart meter program? If the Council does indeed decide at that time to implement smart meters, the SWIFT loan program funding alternative will be the least costly for rate payers. Thus, staff recommends trying to secure this funding alternative to ensure Council has the least costly alternative available if and when you decide to install Smart Meters throughout the Water Utility service area.

Austin Water staff has performed a preliminary financial analysis comparing funding alternatives. These numbers are illustrative and will change based on final project scope and changes in market interest rates. Utilizing traditional Austin Water financing for the smart meter system, the estimated 20-year average annual debt service would be \$5.3 million with total interest costs of \$25.9 million. Under the TWDB loan financing of this project, the estimated 20-year average annual debt service would be \$4.9 million with total interest costs of \$16.9 million.

Based on current market interest rates and project estimates, the use of the TWDB financing will save Austin Water \$9.3 million over the 20-year term of the bonds.

20 year price comparison for \$80,195,000 sale/loan amount for Smart Meter Technology

	20 Yr Revenue Bond	20 Yr TWBD Loan	Savings
Total Cost	\$ 106,896,404	\$ 97,639,562	\$9,256,842

The following illustrative amortization schedule for traditional Austin Water financing for this project is based on current market conditions and project estimates.

Austin Water Smart Meter Project
\$80,195,000 Bond Sale Fall 2016
Traditional Austin Water Financing - 20 year Revenue Bonds - ESTIMATE*

Estimated Project Cost	\$ 80,195,000
Estimated Issuance Cost	800,000
Estimated Amount to Be Financed	<u>\$ 80,995,000</u>

Payment Date	Principal Outstanding	Principal Payment	Coupon	Interest Payment	Total	Fiscal Year Total	Fiscal Year
05/15/17	\$ 80,995,000	\$ -		\$ 1,144,459	\$ 1,144,459	\$ 1,144,459	2017
11/15/17	80,995,000	3,077,810	2.83%	1,144,459	4,222,269		
05/15/18	77,917,190	-		1,100,970	1,100,970	5,323,239	2018
11/15/18	77,917,190	3,239,800	2.83%	1,100,970	4,340,770		
05/15/19	74,677,390	-		1,055,192	1,055,192	5,395,961	2019
11/15/19	74,677,390	3,401,790	2.83%	1,055,192	4,456,982		
05/15/20	71,275,600	-		1,007,124	1,007,124	5,464,106	2020
11/15/20	71,275,600	3,482,785	2.83%	1,007,124	4,489,909		
05/15/21	67,792,815	-		957,912	957,912	5,447,822	2021
11/15/21	67,792,815	3,563,780	2.83%	957,912	4,521,692		
05/15/22	64,229,035	-		907,556	907,556	5,429,249	2022
11/15/22	64,229,035	3,644,775	2.83%	907,556	4,552,331		
05/15/23	60,584,260	-		856,056	856,056	5,408,387	2023
11/15/23	60,584,260	3,725,770	2.83%	856,056	4,581,826		
05/15/24	56,858,490	-		803,410	803,410	5,385,236	2024
11/15/24	56,858,490	3,806,765	2.83%	803,410	4,610,175		
05/15/25	53,051,725	-		749,621	749,621	5,359,796	2025
11/15/25	53,051,725	3,806,765	2.83%	749,621	4,556,386		
05/15/26	49,244,960	-		695,831	695,831	5,252,217	2026
11/15/26	49,244,960	3,887,760	2.83%	695,831	4,583,591		
05/15/27	45,357,200	-		640,897	640,897	5,224,489	2027
11/15/27	45,357,200	3,887,760	2.83%	640,897	4,528,657		
05/15/28	41,469,440	-		585,963	585,963	5,114,620	2028
11/15/28	41,469,440	4,049,750	2.83%	585,963	4,635,713		
05/15/29	37,419,690	-		528,740	528,740	5,164,453	2029
11/15/29	37,419,690	4,211,740	2.83%	528,740	4,740,480		
05/15/30	33,207,950	-		469,228	469,228	5,209,709	2030
11/15/30	33,207,950	4,454,725	2.83%	469,228	4,923,953		
05/15/31	28,753,225	-		406,283	406,283	5,330,236	2031
11/15/31	28,753,225	4,535,720	2.83%	406,283	4,942,003		
05/15/32	24,217,505	-		342,193	342,193	5,284,196	2032
11/15/32	24,217,505	4,616,715	2.83%	342,193	4,958,908		
05/15/33	19,600,790	-		276,959	276,959	5,235,868	2033
11/15/33	19,600,790	4,697,710	2.83%	276,959	4,974,669		
05/15/34	14,903,080	-		210,581	210,581	5,185,250	2034
11/15/34	14,903,080	4,940,695	2.83%	210,581	5,151,276		
05/15/35	9,962,385	-		140,769	140,769	5,292,044	2035
11/15/35	9,962,385	4,940,695	2.83%	140,769	5,081,464		
05/15/36	5,021,690	-		70,956	70,956	5,152,420	2036
11/15/36	5,021,690	5,021,690	2.83%	70,956	5,092,646	5,092,646	2037
		\$ 80,995,000		\$ 25,901,404	\$ 106,896,404	\$ 106,896,404	

Average Annual Principal and Interest \$ 5,344,820

*** Assumptions:**

Uses interest rate of 2.826%. Estimated true interest cost provided by PFM on 4/8/16.

The following illustrative amortization schedule for SWIFT loan financing for this project is based on current market conditions and project estimates.

Austin Water Smart Meter Project
\$80,195,000 TWDB Loan, Fall 2016 Close
TWDB SWIFT Loan Program - 20 year Debt Service - ESTIMATE*

Estimated Project Cost	\$ 80,195,000
Estimated Issuance Cost	<u>500,000</u>
Estimated Amount to Be Financed	\$ 80,695,000

Payment Date	Principal Outstanding	Principal Payment	Coupon	Interest Payment	Total	Fiscal Year Total	Fiscal Year
05/15/17	\$ 80,695,000	\$ -		\$ 651,229	\$ 651,229	\$ 651,229	2017
11/15/17	80,695,000	3,631,275	0.65%	651,229	4,282,504		
05/15/18	77,063,725	-		639,427	639,427	4,921,931	2018
11/15/18	77,063,725	3,631,275	0.73%	639,427	4,270,702		
05/15/19	73,432,450	-		626,173	626,173	4,896,875	2019
11/15/19	73,432,450	3,631,275	0.80%	626,173	4,257,448		
05/15/20	69,801,175	-		611,648	611,648	4,869,096	2020
11/15/20	69,801,175	3,631,275	0.90%	611,648	4,242,923		
05/15/21	66,169,900	-		595,307	595,307	4,838,230	2021
11/15/21	66,169,900	3,631,275	1.01%	595,307	4,226,582		
05/15/22	62,538,625	-		576,969	576,969	4,803,551	2022
11/15/22	62,538,625	3,873,360	1.10%	576,969	4,450,329		
05/15/23	58,665,265	-		555,666	555,666	5,005,995	2023
11/15/23	58,665,265	3,873,360	1.19%	555,666	4,429,026		
05/15/24	54,791,905	-		532,619	532,619	4,961,645	2024
11/15/24	54,791,905	3,873,360	1.29%	532,619	4,405,979		
05/15/25	50,918,545	-		507,636	507,636	4,913,615	2025
11/15/25	50,918,545	3,873,360	1.36%	507,636	4,380,996		
05/15/26	47,045,185	-		481,297	481,297	4,862,293	2026
11/15/26	47,045,185	4,034,750	1.43%	481,297	4,516,047		
05/15/27	43,010,435	-		452,449	452,449	4,968,496	2027
11/15/27	43,010,435	4,034,750	1.63%	452,449	4,487,199		
05/15/28	38,975,685	-		419,566	419,566	4,906,764	2028
11/15/28	38,975,685	4,034,750	1.77%	419,566	4,454,316		
05/15/29	34,940,935	-		383,858	383,858	4,838,174	2029
11/15/29	34,940,935	4,034,750	1.90%	383,858	4,418,608		
05/15/30	30,906,185	-		345,528	345,528	4,764,136	2030
11/15/30	30,906,185	4,196,140	2.00%	345,528	4,541,668		
05/15/31	26,710,045	-		303,567	303,567	4,845,234	2031
11/15/31	26,710,045	4,276,835	2.10%	303,567	4,580,402		
05/15/32	22,433,210	-		258,660	258,660	4,839,061	2032
11/15/32	22,433,210	4,438,225	2.18%	258,660	4,696,885		
05/15/33	17,994,985	-		210,283	210,283	4,907,168	2033
11/15/33	17,994,985	4,518,920	2.25%	210,283	4,729,203		
05/15/34	13,476,065	-		159,445	159,445	4,888,648	2034
11/15/34	13,476,065	4,518,920	2.31%	159,445	4,678,365		
05/15/35	8,957,145	-		107,252	107,252	4,785,617	2035
11/15/35	8,957,145	4,518,920	2.37%	107,252	4,626,172		
05/15/36	4,438,225	-		53,703	53,703	4,679,874	2036
11/15/36	4,438,225	4,438,225	2.42%	53,703	4,491,928	4,491,928	2037
		\$ 80,695,000		\$ 16,944,562	\$ 97,639,562	\$ 97,639,562	

Average Annual Principal and Interest \$ 4,881,978

*** Assumptions:**

Uses rates published by TWDB as of April 18, 2016.



Council Question and Answer

Related To	Item #4	Meeting Date	April 21, 2016
------------	---------	--------------	----------------

Additional Answer Information

QUESTION: 1) Will the \$80.2M include removal of existing meters system-wide, installation of smart meters system-wide, replacement and installation of all necessary infrastructure and technology, database costs to collect the data, customer interface, other necessary capital costs, yearly operations, new employees salary and benefits, and maintenance of the project and any other new costs incurred by the Water utility as a result of this new infrastructure? 2) What are the total of all of these costs projected out over 10 years? 3) How will those costs impact rates? 4) What other utility spending can be decreased to offset expected rate increases? COUNCIL MEMBER TROXCLAIR'S OFFICE

ANSWER:

1) Austin's smart meter project is also known as Advanced Meter Infrastructure (AMI). The \$80.2 million project cost is for the planning level capital costs only. This project will update customer meters and meter boxes and accompanying data transmission infrastructure, so that meter reads will no longer be collected manually, but instead by cellular or radio transmission. This will improve data collection, providing more accurate data, fewer re-reads, more timely data, and more granular data. It should reduce meter data errors. It is also expected to reduce or eliminate meter reading costs, improve customer service and satisfaction, allow customer notification of potential customer-side leaks, and allow better system diagnostics through better leak detection, through district metering and/or integrated acoustic leak detection sensors. The increased level of consumption data that customers receive will enable them to adjust their consumption levels more quickly, to help reduce water demand. Upon completion, this project is intended to replace all residential, multifamily and commercial meters in the Austin Water service area, including wholesale and large volume commercial customers.

Any additional information on operations and maintenance costs would be determined during the system design phase over the next two years.

Also note that Austin Water's meter inventory is aging and large scale replacement of Austin Water's meter inventory is expected over the next 5 – 10 years. As we look to replace a large portion of our meter inventory in the near future, this is an appropriate time to evaluate meter replacement options.

2) Total cost including capital, operations and maintenance cost have yet to be determined. The \$80.2 million is a planning number over the next 7 years based on a similar AMI TWDB project. As AW continues with the planning phase, we will return to commission and council for a feasibility study approval during the next fiscal year. If approved, total capital, operations and maintenance costs would be determined during the system design phase over the next two years.

3) Rate impacts are provided in responses to Councilmember Zimmerman's questions above.

4) As Austin Water implements the smart water meter system, there will be significant cost savings and benefits from the system. For example, meter reads would not have to be collected manually. The cost of the meter reading contract would be eliminated or significantly reduced. Additionally, system operational costs could be reduced due to reductions in water loss due to leaks, additional conservation by our customers, and operational efficiencies through the use of enhanced system data.



Council Question and Answer

Related To	Item #5	Meeting Date	April 21, 2016
Additional Answer Information			

QUESTION: 1) How much is the average monthly bill expected total increase in each of the following years due to this program, above the current average 2015-2016 monthly bill? FY 2016-2017 FY 2017-2018 FY 2018-2019 FY 2019-2020 FY 2020-2021 FY 2021-2022 FY 2022-2023 FY 2023-2024? 2) Provide the fiscal impact related to the TWDB loan application for the development and implementation of wastewater and reclaimed water system improvements for Austin Water. COUNCIL MEMBER ZIIMERMAN'S OFFICE

ANSWER:

1) The Council action requested is to authorize only the application for funding to the Texas Water Development Board (TWDB) for the development and implementation of wastewater and reclaimed water system improvements. The TWDB has invited Austin Water to apply for funding for these projects. This Council action is required to proceed with the submittal of the final application.

The proposed wastewater and reclaimed water system improvements includes a series of projects to improve the filter capacity of Austin Water’s two major wastewater treatment plants and expand Austin’s reclaimed water system as part of Austin Water’s conservation strategy.

Austin Water has estimated the bill impact of the \$87.0 million projects to rehabilitate wastewater treatment plant filter systems and expand the reclaimed water systems through either traditional Austin Water financing and through a Texas Water Development Board (TWDB) loan.

Under the traditional Austin Water financing of this project, the 20-year average annual debt service would be \$5.8 million. The average annual debt service impact would result in an estimated 2.0% rate increase spread out over the 7 year funding of the project. The actual rate impact each year would depend on actual project spending.

Under the traditional Austin Water financing of this project, an estimated rate increase of 2.0% is expected with an estimated average monthly bill impact of 11.4 cents each year which would result in an estimated total monthly bill increase of \$0.80 over the 7 year implementation period for the average residential water customer using 5,800 gallons of water per month.

Under the TWDB loan financing of this project, the 20-year average annual debt service would be \$5.3 million. The average annual debt service impact would result in an estimated 1.8% rate increase spread out over the 7 year funding of the project. The actual rate impact each year would depend on actual project spending.

Under the TWDB loan financing of this project, an estimated rate increase of 1.8% is expected with an estimated average monthly bill impact of 10.3 cents each year which would result in an estimated total monthly bill increase of \$0.72 over the 7 year implementation period for the average residential water customer using 5,800 gallons of water per month. The use of the TWDB financing saves Austin Water \$10.0 million over the 20-year term of the bonds.

2) A Council resolution authorizing Austin Water to apply for the TWDB SWIFT loan program is required as part of the application process. Submittal of an application for the SWIFT loan program is similar to getting pre-approval for a home mortgage and does not commit Austin Water to proceeding with the proposed projects or to funding the projects with SWIFT funding.

The proposed wastewater and reclaimed water system improvements includes a series of projects to improve the filter capacity of Austin Water’s two major wastewater treatment plants and expand Austin’s reclaimed water system as part of Austin Water’s conservation strategy.

Additional Council action would be required to move forward with the project and enter into a loan agreement with the TWDB. As Austin Water continues to develop feasibility and project planning strategies, we will provide further project updates to the Water and Wastewater Commission, the Public Utilities Committee and Council. As we proceed further, staff will bring the individual projects forward for Council consideration. If the Council decides at that time to authorize the proposed projects, this SWIFT loan program funding alternative will be the least costly for rate payers. Thus, staff recommends trying to secure this funding alternative to ensure Council has the least costly alternative available for the proposed wastewater and reclaimed system improvement projects.

Austin Water staff has performed a preliminary financial analysis comparing funding alternatives. These numbers are illustrative and will change based on final project scope and changes in market interest rates.

Utilizing traditional Austin Water financing for the wastewater and reclaimed water system improvements, the 20-year average annual debt service would be \$5.8 million with total interest costs of \$28.1 million. Under the TWDB loan financing of this project, the 20-year average annual debt service would be \$5.3 million with total interest costs of \$18.4 million.

Based on current market interest rates, the use of the TWDB financing saves Austin Water \$10.0 million over the 20-year term of the bonds.

20 year price comparison for \$86,980,456 sale/loan amount for Reuse and Wastewater

	20 yr bond	20 yr TWBD	Savings
Total Cost	\$ 115,851,782	\$ 105,849,847	\$10,001,935

The following illustrative amortization schedule for traditional Austin Water financing for this project is based on current market conditions and project estimates.

Austin Water Wastewater and Reclaimed Water System Improvement Projects

\$86,980,456 Bond Sale Fall 2016

Traditional Austin Water Financing - 20 year Revenue Bonds - ESTIMATE*

Estimated Project Cost	\$ 86,980,456
Estimated Issuance Cost	800,000
Estimated Amount to Be Financed	<u>\$ 87,780,456</u>

<u>Payment Date</u>	<u>Principal Outstanding</u>	<u>Principal Payment</u>	<u>Coupon</u>	<u>Interest Payment</u>	<u>Total</u>	<u>Fiscal Year Total</u>	<u>Fiscal Year</u>
05/15/17	\$ 87,780,456	\$ -		\$ 1,240,338	\$ 1,240,338	\$ 1,240,338	2017
11/15/17	87,780,456	3,335,657	2.83%	1,240,338	4,575,995		
05/15/18	84,444,799	-		1,193,205	1,193,205	5,769,200	2018
11/15/18	84,444,799	3,511,218	2.83%	1,193,205	4,704,423		
05/15/19	80,933,580	-		1,143,591	1,143,591	5,848,015	2019
11/15/19	80,933,580	3,686,779	2.83%	1,143,591	4,830,371		
05/15/20	77,246,801	-		1,091,497	1,091,497	5,921,868	2020
11/15/20	77,246,801	3,774,560	2.83%	1,091,497	4,866,057		
05/15/21	73,472,242	-		1,038,163	1,038,163	5,904,220	2021
11/15/21	73,472,242	3,862,340	2.83%	1,038,163	4,900,503		
05/15/22	69,609,902	-		983,588	983,588	5,884,091	2022
11/15/22	69,609,902	3,950,121	2.83%	983,588	4,933,708		
05/15/23	65,659,781	-		927,773	927,773	5,861,481	2023
11/15/23	65,659,781	4,037,901	2.83%	927,773	4,965,674		
05/15/24	61,621,880	-		870,717	870,717	5,836,391	2024
11/15/24	61,621,880	4,125,681	2.83%	870,717	4,996,399		
05/15/25	57,496,199	-		812,421	812,421	5,808,820	2025
11/15/25	57,496,199	4,125,681	2.83%	812,421	4,938,103		
05/15/26	53,370,517	-		754,125	754,125	5,692,228	2026
11/15/26	53,370,517	4,213,462	2.83%	754,125	4,967,587		
05/15/27	49,157,055	-		694,589	694,589	5,662,176	2027
11/15/27	49,157,055	4,213,462	2.83%	694,589	4,908,051		
05/15/28	44,943,593	-		635,053	635,053	5,543,104	2028
11/15/28	44,943,593	4,389,023	2.83%	635,053	5,024,076		
05/15/29	40,554,571	-		573,036	573,036	5,597,112	2029
11/15/29	40,554,571	4,564,584	2.83%	573,036	5,137,620		
05/15/30	35,989,987	-		508,539	508,539	5,646,158	2030
11/15/30	35,989,987	4,827,925	2.83%	508,539	5,336,464		
05/15/31	31,162,062	-		440,320	440,320	5,776,784	2031
11/15/31	31,162,062	4,915,706	2.83%	440,320	5,356,025		
05/15/32	26,246,356	-		370,861	370,861	5,726,886	2032
11/15/32	26,246,356	5,003,486	2.83%	370,861	5,374,347		
05/15/33	21,242,870	-		300,162	300,162	5,674,509	2033
11/15/33	21,242,870	5,091,266	2.83%	300,162	5,391,428		
05/15/34	16,151,604	-		228,222	228,222	5,619,650	2034
11/15/34	16,151,604	5,354,608	2.83%	228,222	5,582,830		
05/15/35	10,796,996	-		152,562	152,562	5,735,392	2035
11/15/35	10,796,996	5,354,608	2.83%	152,562	5,507,169		
05/15/36	5,442,388	-		76,901	76,901	5,584,070	2036
11/15/36	5,442,388	5,442,388	2.83%	76,901	5,519,289	5,519,289	2037
		\$ 87,780,456		\$ 28,071,326	\$ 115,851,782	\$ 115,851,782	

Average Annual Principal and Interest \$ 5,792,589

*** Assumptions:**

Uses interest rate of 2.826%. Estimated true interest cost provided by PFM on 4/8/16.

The following illustrative amortization schedule utilizing SWIFT financing for this project are based on current market conditions and project estimates.

Austin Water Wastewater and Reclaimed Water System Improvement Projects

\$86,980,456 TWDB Loan, Fall 2016 Close

TWDB SWIFT Loan Program - 20 year Debt Service - ESTIMATE*

Estimated Project Cost	\$ 86,980,456
Estimated Issuance Cost	500,000
Estimated Amount to Be Financed	<u>\$ 87,480,456</u>

Payment Date	Principal Outstanding	Principal Payment	Coupon	Interest Payment	Total	Fiscal Year Total	Fiscal Year
05/15/17	\$ 87,480,456	\$ -		\$ 705,989	\$ 705,989	\$ 705,989	2017
11/15/17	87,480,456	3,936,621	0.65%	705,989	4,642,610		
05/15/18	83,543,835	-		693,195	693,195	5,335,805	2018
11/15/18	83,543,835	3,936,621	0.73%	693,195	4,629,816		
05/15/19	79,607,215	-		678,826	678,826	5,308,642	2019
11/15/19	79,607,215	3,936,621	0.80%	678,826	4,615,447		
05/15/20	75,670,594	-		663,080	663,080	5,278,527	2020
11/15/20	75,670,594	3,936,621	0.90%	663,080	4,599,701		
05/15/21	71,733,974	-		645,365	645,365	5,245,066	2021
11/15/21	71,733,974	3,936,621	1.01%	645,365	4,581,986		
05/15/22	67,797,353	-		625,485	625,485	5,207,471	2022
11/15/22	67,797,353	4,199,062	1.10%	625,485	4,824,547		
05/15/23	63,598,292	-		602,390	602,390	5,426,938	2023
11/15/23	63,598,292	4,199,062	1.19%	602,390	4,801,452		
05/15/24	59,399,230	-		577,406	577,406	5,378,858	2024
11/15/24	59,399,230	4,199,062	1.29%	577,406	4,776,468		
05/15/25	55,200,168	-		550,322	550,322	5,326,790	2025
11/15/25	55,200,168	4,199,062	1.36%	550,322	4,749,384		
05/15/26	51,001,106	-		521,768	521,768	5,271,152	2026
11/15/26	51,001,106	4,374,023	1.43%	521,768	4,895,791		
05/15/27	46,627,083	-		490,494	490,494	5,386,285	2027
11/15/27	46,627,083	4,374,023	1.63%	490,494	4,864,517		
05/15/28	42,253,060	-		454,846	454,846	5,319,363	2028
11/15/28	42,253,060	4,374,023	1.77%	454,846	4,828,869		
05/15/29	37,879,037	-		416,136	416,136	5,245,004	2029
11/15/29	37,879,037	4,374,023	1.90%	416,136	4,790,159		
05/15/30	33,505,015	-		374,583	374,583	5,164,741	2030
11/15/30	33,505,015	4,548,984	2.00%	374,583	4,923,566		
05/15/31	28,956,031	-		329,093	329,093	5,252,659	2031
11/15/31	28,956,031	4,636,464	2.10%	329,093	4,965,557		
05/15/32	24,319,567	-		280,410	280,410	5,245,967	2032
11/15/32	24,319,567	4,811,425	2.18%	280,410	5,091,835		
05/15/33	19,508,142	-		227,965	227,965	5,319,800	2033
11/15/33	19,508,142	4,898,906	2.25%	227,965	5,126,871		
05/15/34	14,609,236	-		172,853	172,853	5,299,723	2034
11/15/34	14,609,236	4,898,906	2.31%	172,853	5,071,758		
05/15/35	9,710,331	-		116,270	116,270	5,188,028	2035
11/15/35	9,710,331	4,898,906	2.37%	116,270	5,015,176		
05/15/36	4,811,425	-		58,218	58,218	5,073,394	2036
11/15/36	4,811,425	4,811,425	2.42%	58,218	4,869,643	4,869,643	2037
		\$ 87,480,456		\$ 18,369,391	\$ 105,849,847	\$ 105,849,847	

Average Annual Principal and Interest \$ 5,292,492

*** Assumptions:**

Uses rates published by TWDB as of April 18, 2016.



Council Question and Answer

Related To	Item #5	Meeting Date	April 21, 2016
Additional Answer Information			

QUESTION: 1) How much total debt does Austin Water have currently? 2) When was the last time the City requested loans from TWDB? 3) What were the terms of those loans? 4) If the City could not use TWDB loan programs, how would AW fund these projects? 5) Does the Utility have limits on how much debt it can issue in a single fiscal year? 6) What will be the impact to rates to add this additional debt? COUNCIL MEMBER TROXCLAIR'S OFFICE

ANSWER:

- 1) Austin Water currently has \$2.4 billion in outstanding debt.
- 2) Austin Water requested approximately \$32 million in loans from the TWDB in 2010. This was part of the American Recovery and Reinvestment Act (ARRA), a stimulus package authorized by U.S. Congress in 2009. This loan paid for improvements at the Hornsby Bend Biosolids Plant related to expansion of composting pads and digester improvements.
- 3) The terms of the \$32 million ARRA loan was a 30-year 0% interest loan.
- 4) If the City was not authorized or did not get TWDB approval for these loan requests, Austin Water would fund these projects in the traditional manner through the issuance of short-term commercial paper which would ultimately be refunded into long-term revenue bonds.
- 5) Austin Water does not have a specific limit on the amount of debt it can issue in a single year. Austin Water has a \$200 million limit on the amount of commercial paper authorization. When Austin Water has issued close to the \$200 million limit, we will initiate the issuance of revenue bonds to refund the commercial paper. This happens between every 12-18 months, depending on the level of capital spending at the time.
- 6) Rate impacts are provided in responses to Councilmember Zimmerman's questions above.

**CONTRACT BETWEEN THE CITY OF AUSTIN
AND
CAPITAL INVESTING IN DEVELOPMENT AND EMPLOYMENT OF ADULTS, INC.
FOR
CAREER AND OCCUPATIONAL TRAINING**

This Agreement is made by and between the City of Austin ("City"), a home-rule municipality incorporated by the State of Texas, and Capital Investing in Development and Employment of Adults, Inc. ("Contractor"), having offices at 835 N Pleasant Valley Rd, Austin, TX 78701.

SECTION 1. GRANT OF AUTHORITY, SERVICES AND DUTIES

- 1.1 **Engagement of the Contractor.** Subject to the general supervision and control of the City and subject to the provisions of the Terms and Conditions contained herein, the Contractor is engaged to provide the services set forth in the Scope of Work, which is attached hereto as Exhibit A.
- 1.2 **Responsibilities of the Contractor.** The Contractor shall provide all technical and professional expertise, knowledge, management, and other resources required for accomplishing all aspects of the tasks and associated activities identified in the Scope of Work. In the event that the need arises for the Contractor to perform services beyond those stated in the Scope of Work, the Contractor and the City shall negotiate mutually agreeable terms and compensation for completing the additional services.
- 1.3 **Responsibilities of the City.** The City's Contract Manager will be responsible for exercising general oversight of the Contractor's activities in completing the Scope of Work. Specifically, the Contract Manager will represent the City's interests in resolving day-to-day issues that may arise during the term of this Contract, shall participate regularly in conference calls or meetings for status reporting, shall promptly review any written reports submitted by the Contractor, and shall approve all invoices for payment, as appropriate. The City's Contract Manager shall give the Contractor timely feedback on the acceptability of progress and task reports. The City shall at all times govern and exercise ultimate control over the City owned assets of the program and the Contractor shall perform the functions described in this Agreement in accordance with all existing and hereafter adopted policies and directives of the City. The City shall at all times retain the power to modify, change and initiate policies and directives without regard to prior discussions and directives of the Contractor.
- 1.4 **Designation of Key Personnel.** The Contractor's Contract Manager for this engagement shall be Steven C Jackobs, Executive Director. The City's Contract Manager for the engagement shall be David Colligan, Global Business Recruitment and Expansion Manager or designee. If either party replaces its Contract Manager, that party shall promptly send written notice of the change to the other party. The notice shall identify a qualified and competent replacement and provide contact information.

SECTION 2. SCOPE OF WORK.

- 2.1 **Contractor's Obligations.** The Contractor shall fully and timely provide all deliverables described in this Exhibit A Scope of Work and in the Contractor's Offer, in strict accordance with the terms, covenants, and conditions of the Contract and all applicable Federal, State, and local laws, rules, and regulations.

SECTION 3. COMPENSATION:

- 3.1 **Contract Amount.** The Contractor will be paid an amount not to exceed \$3,391,950 for the initial three (3) year term, with three (3) additional twelve (12) month extension options in an amount not to exceed \$1,130,650 for each extension option, for a total contract amount not to exceed \$6,783,900 combined, for all fees and expenses upon the successful completion of the Scope of Work, as described herein.
 - 3.1.1 In full consideration of the Contractor's satisfactory performance of the services under this Contract, the City shall pay the Contractor for services as outlined in Exhibit A.
- 3.2 **Invoices.**

- 3.2.1 The Contractor shall submit separate invoices in duplicate on each purchase order or delivery order after each delivery. If partial shipments or deliveries are authorized by the City, a separate invoice must be sent for each shipment or delivery made.
- 3.2.2 **Invoices shall contain a non-duplicated invoice number, the purchase order or delivery order number and the master agreement number if applicable, the Department's Name, and the name of the point of contact for the Department.** Invoices shall be itemized and transportation charges, if any, shall be listed separately. A copy of the bill of lading and the freight waybill, when applicable, shall be attached to the invoice. Unless otherwise instructed in writing, the City may rely on the remittance address specified on the Contractor's invoice. Invoices received without all required information cannot be processed and will be returned to the Contractor. Invoices shall be mailed to the below address:

3.1.1

	City of Austin
Department	Economic Development Department
Attn:	Global Business Recruitment and Expansion Manager
Address:	301 W. 2 nd Street
City, State, Zip Code	Austin, Texas 78701

- 3.1.2 Unless otherwise expressly authorized in the Contract, the Contractor shall pass through all Subcontract and other authorized expenses at actual cost without markup.
- 3.1.3 Federal excise taxes, State taxes, or City sales taxes must not be included in the invoiced amount. The City will furnish a tax exemption certificate upon request.

3.2 **Payment**

- 3.2.1 All proper invoices received by the City will be paid within thirty (30) calendar days of the City's receipt of the deliverables or of the invoice, whichever is later.
- 3.2.2 The City may withhold or set off the entire payment or part of any payment otherwise due the Contractor to such extent as may be necessary on account of;
 - 3.2.2.1 delivery of defective or non-conforming deliverables by the Contractor;
 - 3.2.2.2 third party claims, which are not covered by the insurance which the Contractor is required to provide, are filed or reasonable evidence indicating probable filing of such claims;
 - 3.2.2.3 failure of the Contractor to pay Subcontractors, or for labor, materials or equipment, failure of the Contractor to pay Subcontractors, or for labor, materials or equipment;
 - 3.2.2.4 damage to the property of the City or the City's agents, employees or contractors, which is not covered by insurance required to be provided by the Contractor;
 - 3.2.2.5 reasonable evidence that the Contractor's obligations will not be completed within the time specified in the Contract, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay;
 - 3.2.2.6 failure of the Contractor to submit proper invoices with all required attachments and supporting documentation; or
 - 3.2.2.7 failure of the Contractor to comply with any material provision of the Contract Documents.
- 3.2.3 Notice is hereby given of Article VIII, Section 1 of the Austin City Charter which prohibits the payment of any money to any person, firm or corporation who is in arrears to the City for taxes, and of §2-8-3 of the Austin City Code concerning the right of the City to offset indebtedness owed the City.

3.3 **Non-Appropriation.** The awarding or continuation of this contract is dependent upon the availability of funding. The City's payment obligations are payable only and solely from funds Appropriated and available for this contract. The absence of Appropriated or other lawfully available funds shall render the Contract null and void to the extent funds are not Appropriated or available and any deliverables delivered but unpaid shall be returned to the Contractor. The City shall provide the Contractor written notice of the failure of the City to make an adequate Appropriation for any fiscal year to pay the amounts due under the Contract, or the reduction of any Appropriation to an amount insufficient to permit the City to pay its obligations under the Contract. In the event of non-appropriation or inadequate appropriation of funds, there will be no penalty or removal fees charged to the City.

3.4 **Final Payment and Close-Out**

3.4.1 The making and acceptance of final payment will constitute:

3.4.1.1 a waiver of all claims by the City against the Contractor, except claims (1) which have been previously asserted in writing and not yet settled, (2) arising from defective work appearing after final inspection, (3) arising from failure of the Contractor to comply with the Contract or the terms of any warranty specified herein, (4) arising from the Contractor's continuing obligations under the Contract, including but not limited to indemnity and warranty obligations, or (5) arising under the City's right to audit; and

3.4.1.2 a waiver of all claims by the Contractor against the City other than those previously asserted in writing and not yet settled.

SECTION 4. TERM AND TERMINATION

4.1 **Term of Contract.** This Contract shall be in effect for an initial term of three (3) years beginning October 1, 2015 and may be extended thereafter for up to three (3) additional twelve (12) month periods, subject to the approval of the Contractor and the City.

4.2 **Right To Assurance:** Whenever one party to the Contract in good faith has reason to question the other party's intent to perform, demand may be made to the other party for written assurance of the intent to perform. In the event that no assurance is given within the time specified after demand is made, the demanding party may treat this failure as an anticipatory repudiation of the Contract.

4.3 **Default:** The Contractor shall be in default under the Contract if the Contractor (a) fails to fully, timely and faithfully perform any of its material obligations under the Contract, (b) fails to provide adequate assurance of performance under the Right to Assurance paragraph contained herein (c) becomes insolvent or seeks relief under the bankruptcy laws of the United States.

4.4 **Termination For Cause:** In the event of a default by the Contractor, the City shall have the right to terminate the Contract for cause, by written notice effective ten (10) calendar days, unless otherwise specified, after the date of such notice, unless the Contractor, within such ten (10) day period, cures such default, or provides evidence sufficient to prove to the City's reasonable satisfaction that such default does not, in fact, exist. In addition to any other remedy available under law or in equity, the City shall be entitled to recover all actual damages, costs, losses and expenses, incurred by the City as a result of the Contractor's default, including, without limitation, cost of cover, reasonable attorneys' fees, court costs, and prejudgment and post-judgment interest at the maximum lawful rate. Additionally, in the event of a default by the Contractor, the City may remove the Contractor from the City's vendor list for three (3) years and any Offer submitted by the Contractor may be disqualified for up to three (3) years. All rights and remedies under the Contract are cumulative and are not exclusive of any other right or remedy provided by law.

4.5 **Termination Without Cause:** The City shall have the right to terminate the Contract, in whole or in part, without cause any time upon thirty (30) calendar days' prior written notice. Upon receipt of a notice of termination, the Contractor shall promptly cease all further work pursuant to the Contract, with such exceptions, if any, specified in the notice of termination. The City shall pay the Contractor, to the extent of funds Appropriated or otherwise legally available for such purposes, for all goods delivered and services performed and obligations incurred prior to the date of termination in accordance with the terms hereof.

- 4.6 **Fraud:** Fraudulent statements by the Contractor on any Offer shall be grounds for the termination of the Contract for cause by the City and may result in legal action.

SECTION 5. OTHER DELIVERABLES

- 5.1 **Insurance:** The following insurance requirement applies. (Applicable to Contracts for services that are performed at City facilities or at sites designated by the City and for supplies that are delivered to City facilities by the Contractor personnel). (Revised 6/01/98).

5.1.1 General Requirements

- 5.1.1.1 The Contractor shall at a minimum carry insurance in the types and amounts indicated herein for the duration of the Contract and during any warranty period.
- 5.1.1.2 The Contractor shall provide a Certificate of Insurance as verification of coverages required below to the City at the below address prior to contract execution and within fourteen (14) calendar days after written request from the City.
- 5.1.1.3 The Contractor must also forward a Certificate of Insurance to the City whenever a previously identified policy period has expired, or an extension option or holdover period is exercised, as verification of continuing coverage.
- 5.1.1.4 The Contractor shall not commence work until the required insurance is obtained and has been reviewed by City. Approval of insurance by the City shall not relieve or decrease the liability of the Contractor hereunder and shall not be construed to be a limitation of liability on the part of the Contractor.
- 5.1.1.5 The Contractor must submit certificates of insurance to the City for all subcontractors prior to the subcontractors commencing work on the project.
- 5.1.1.6 The Contractor's and all subcontractors' insurance coverage shall be written by companies licensed to do business in the State of Texas at the time the policies are issued and shall be written by companies with A.M. Best ratings of B+VII or better. The City will accept workers' compensation coverage written by the Texas Workers' Compensation Insurance Fund.
- 5.1.1.7 All endorsements naming the City as additional insured, waivers, and notices of cancellation endorsements as well as the Certificate of Insurance shall contain the solicitation / contract number, the Buyer's name, and the Contractor's email address, and shall be mailed to the following address:

City of Austin
Attn: Global Business Recruitment and Expansion Manager
Economic Development Department
301 W. Second St., Suite 2030
Austin, Texas 78701

The "other" insurance clause shall not apply to the City where the City is an additional insured shown on any policy. It is intended that policies required in the Contract, covering both the City and the Contractor, shall be considered primary coverage as applicable.

- 5.1.1.8 If insurance policies are not written for amounts specified in Paragraph 5.1.2, Supplemental Purchase Provisions, the Contractor shall carry Umbrella or Excess Liability Insurance for any differences in amounts specified. If Excess Liability Insurance is provided, it shall follow the form of the primary coverage.
- 5.1.1.9 The City shall be entitled, upon request, at an agreed upon location, and without expense, to review certified copies of policies and endorsements thereto and may make any reasonable requests for deletion or revision or modification of particular policy terms, conditions, limitations, or exclusions except where policy provisions are established by law or regulations binding upon either of the parties hereto or the underwriter on any such policies.
- 5.1.1.10 The City reserves the right to review the insurance requirements set forth during the effective period of the Contract and to make reasonable adjustments to insurance

coverage, limits, and exclusions when deemed necessary and prudent by the City based upon changes in statutory law, court decisions, the claims history of the industry or financial condition of the insurance company as well as the Contractor.

- 5.1.1.11 The Contractor shall not cause any insurance to be canceled nor permit any insurance to lapse during the term of the Contract or as required in the Contract.
- 5.1.1.12 The Contractor shall be responsible for premiums, deductibles and self-insured retentions, if any, stated in policies. All deductibles or self-insured retentions shall be disclosed on the Certificate of Insurance.
- 5.1.1.13 The Contractor shall endeavor to provide the City thirty (30) calendar days written notice of erosion of the aggregate limits below occurrence limits for all applicable coverages indicated within the Contract.
- 5.1.1.14 If City owned property is in the care, custody or control of the Contractor, then Contractor shall provide property coverage on an "All Risk of Physical Loss" form. The Coverage shall be provided on a replacement cost basis for the 100% value of City owned property. If property is being transported or stored off-site by the Contractor, then transit and storage coverage shall also be provided. The City shall be endorsed onto the policy as a loss payee.

5.1.2 **Specific Coverage Requirements.** The Contractor shall at a minimum carry insurance in the types and amounts indicated below for the duration of the Contract, including extension options and hold over periods, and during any warranty period. These insurance coverages are required minimums and are not intended to limit the responsibility or liability of the Contractor.

5.1.2.1 **Commercial General Liability Insurance.** The minimum bodily injury and property damage per occurrence are \$600,000 for coverages A (Bodily Injury and Property Damage) and B (Personal and Advertising Injuries). The policy shall contain the following provisions and endorsements.

- 5.1.2.1.1 Blanket contractual liability coverage for liability assumed under the Contract and all other Contracts related to the project.
- 5.1.2.1.2 Independent Contractor's Coverage.
- 5.1.2.1.3 Products/Completed Operations Liability for the duration of the warranty period.
- 5.1.2.1.4 If the project involves digging or drilling provisions must be included that provide Explosion, Collapse, and Underground Coverage (X,C,U).
- 5.1.2.1.5 Waiver of Subrogation, Endorsement CG 2404, or equivalent coverage.
- 5.1.2.1.6 Thirty (30) calendar days Notice of Cancellation, Endorsement CG 0205, or equivalent coverage.
- 5.1.2.1.7 The City of Austin listed as an additional insured, Endorsement CG 2010, or equivalent coverage.

5.1.2.2 **Business Automobile Liability Insurance.** The Contractor shall provide coverage for all owned, non-owned and hired vehicles with a minimum combined single limit of \$600,000 per occurrence for bodily injury and property damage. Alternate acceptable limits are \$250,000 bodily injury per person, \$500,000 bodily injury per occurrence and at least \$100,000 property damage liability per accident. The policy shall contain the following endorsements:

- 5.1.2.2.1 Waiver of Subrogation, Endorsement TE 2046A, or equivalent coverage.
- 5.1.2.2.2 Thirty (30) calendar days Notice of Cancellation, Endorsement TE 0202A, or equivalent coverage.
- 5.1.2.2.3 The City of Austin listed as an additional insured, Endorsement TE 9901B, or equivalent coverage.

5.1.2.3 **Worker's Compensation and Employers' Liability Insurance.** Coverage shall be consistent with statutory benefits outlined in the Texas Worker's Compensation Act (Section 401). The minimum policy limits for Employer's Liability are \$100,000 bodily injury each accident, \$500,000 bodily injury by disease policy limit and \$100,000 bodily

injury by disease each employee. The policy shall contain the following provisions and endorsements:

- 5.1.2.3.1 The Contractor's policy shall apply to the State of Texas.
- 5.1.2.3.2 Waiver of Subrogation, Form WC 420304, or equivalent coverage.
- 5.1.2.3.3 Thirty (30) calendar days Notice of Cancellation, Form WC 420601, or equivalent coverage.

5.2.1.4 **Endorsements.** The specific insurance coverage endorsements specified above, or their equivalents must be provided. In the event that endorsements, which are the equivalent of the required coverage, are proposed to be substituted for the required coverage, copies of the equivalent endorsements must be provided for the City's review and approval.

5.2.1.5 **Certificate:** The following statement must be shown on the Certificate of Insurance. The City of Austin is an Additional Insured on the general liability and the auto liability policies. A Waiver of Subrogation is issued in favor of the City of Austin for general liability, auto liability and workers compensation policies.

5.3 **Equal Opportunity**

5.3.1 **Equal Employment Opportunity:** No Contractor or Contractor's agent, shall engage in any discriminatory employment practice as defined in chapter 5-4 of the City Code. No Bid submitted to the City shall be considered, nor any Purchase Order issued, or any Contract awarded by the City unless the Contractor has executed and filed with the City Purchasing Office a current Non-Discrimination Certification. The Contractor shall sign and return the Non-Discrimination Certification attached hereto as Exhibit B.

5.3.2 **Americans with Disabilities Act (ADA) Compliance:** No Bidder, or Bidder's agent shall engage in any discriminatory employment practice against individuals with disabilities as defined in the ADA.

5.4 **Acceptance of Incomplete or Non-Conforming Deliverables:** If, instead of requiring immediate correction or removal and replacement of defective or non-conforming deliverables, the City prefers to accept it, the City may do so. The Contractor shall pay all claims, costs, losses and damages attributable to the City's evaluation of and determination to accept such defective or non-conforming deliverables. If any such acceptance occurs prior to final payment, the City may deduct such amounts as are necessary to compensate the City for the diminished value of the defective or non-conforming deliverables. If the acceptance occurs after final payment, such amount will be refunded to the City by the Contractor.

5.5 **Delays:**

5.5.1 The City may delay scheduled delivery or other due dates by written notice to the Contractor if the City deems it is in its best interest. If such delay causes an increase in the cost of the work under the Contract, the City and the Contractor shall negotiate an equitable adjustment for costs incurred by the Contractor in the Contract price and execute an amendment to the Contract. The Contractor must assert its right to an adjustment within thirty (30) calendar days from the date of receipt of the notice of delay. Failure to agree on any adjusted price shall be handled under the Dispute Resolution process specified herein. However, nothing in this provision shall excuse the Contractor from delaying the delivery as notified.

5.5.2 Neither party shall be liable for any default or delay in the performance of its obligations under this Contract if, while and to the extent such default or delay is caused by acts of God, fire, riots, civil commotion, labor disruptions, sabotage, sovereign conduct, or any other cause beyond the reasonable control of such Party. In the event of default or delay in contract performance due to any of the foregoing causes, then the time for completion of the services will be extended; provided, however, in such an event, a conference will be held within three (3) business days to establish a mutually agreeable period of time reasonably necessary to overcome the effect of such failure to perform.

- 5.6 **Rights to Proposal and Contractual Material:** All material submitted by the Contractor to the City shall become property of the City upon receipt. Any portions of such material claimed by the Contractor to be proprietary and confidential must be clearly marked as such. Determination of the public nature of the material is subject to the Texas Public Information Act, Chapter 552, Texas Government Code.
- 5.7 **Publications:** All published material and written reports submitted under the Contract must be originally developed material unless otherwise specifically provided in the Contract. When material not originally developed is included in a report in any form, the source shall be identified.

SECTION 6. WARRANTIES

6.1 **Warranty - Price**

- 6.1.1 The Contractor warrants the prices quoted in the Offer are no higher than the Contractor's current prices on orders by others for like deliverables under similar terms of purchase.
- 6.1.2 The Contractor certifies that the prices in the Offer have been arrived at independently without consultation, communication, or agreement for the purpose of restricting competition, as to any matter relating to such fees with any other firm or with any competitor.
- 6.1.3 In addition to any other remedy available, the City may deduct from any amounts owed to the Contractor, or otherwise recover, any amounts paid for items in excess of the Contractor's current prices on orders by others for like deliverables under similar terms of purchase.

- 6.2 **Warranty – Title:** The Contractor warrants that it has good and indefeasible title to all deliverables furnished under the Contract, and that the deliverables are free and clear of all liens, claims, security interests and encumbrances. The Contractor shall indemnify and hold the City harmless from and against all adverse title claims to the deliverables.

- 6.3 **Warranty – Services:** The Contractor warrants and represents that all services to be provided the City under the Contract will be fully and timely performed in a good and workmanlike manner in accordance with generally accepted industry standards and practices, the terms, conditions, and covenants of the Contract, and all applicable Federal, State and local laws, rules or regulations.

- 6.3.1 The Contractor may not limit, exclude or disclaim the foregoing warranty or any warranty implied by law, and any attempt to do so shall be without force or effect.
- 6.3.2 Unless otherwise specified in the Contract, the warranty period shall be at least one year from acceptance of the services. If during the warranty period, one or more of the above warranties are breached, the Contractor shall promptly upon receipt of demand perform the services again in accordance with above standard at no additional cost to the City. All costs incidental to such additional performance shall be borne by the Contractor. The City shall endeavor to give the Contractor written notice of the breach of warranty within thirty (30) calendar days of discovery of the breach warranty, but failure to give timely notice shall not impair the City's rights under this section.
- 6.3.3 If the Contractor is unable or unwilling to perform its services in accordance with the above standard as required by the City, then in addition to any other available remedy, the City may reduce the amount of services it may be required to purchase under the Contract from the Contractor, and purchase conforming services from other sources. In such event, the Contractor shall pay to the City upon demand the increased cost, if any, incurred by the City to procure such services from another source.

- 6.4 **No Warranty By City Against Infringements:** The Contractor represents and warrants to the City that: (i) the Contractor shall provide the City good and indefeasible title to the deliverables and (ii) the deliverables supplied by the Contractor in accordance with the specifications in the Contract will not infringe, directly or contributorily, any patent, trademark, copyright, trade secret, or any other intellectual property right of any kind of any third party; that no claims have been made by any person or entity with respect to the ownership or operation of the deliverables and the Contractor does not know of any valid basis for any such claims. The Contractor shall, at its sole expense, defend, indemnify, and hold the City harmless from and against all liability, damages, and costs (including court costs and reasonable fees of attorneys and other professionals) arising out of or resulting from: (i) any claim that the City's exercise anywhere in

the world of the rights associated with the City's ownership, and if applicable, license rights, and its use of the deliverables infringes the intellectual property rights of any third party; or (ii) the Contractor's breach of any of Contractor's representations or warranties stated in this Contract. In the event of any such claim, the City shall have the right to monitor such claim or at its option engage its own separate counsel to act as co-counsel on the City's behalf. Further, Contractor agrees that the City's specifications regarding the deliverables shall in no way diminish Contractor's warranties or obligations under this paragraph and the City makes no warranty that the production, development, or delivery of such deliverables will not impact such warranties of Contractor.

SECTION 7. MISCELLANEOUS

7.1 **Place and Condition of Work:** When required by this agreement, the City shall provide the Contractor access to the sites where the Contractor is to perform the services as required in order for the Contractor to perform the services in a timely and efficient manner. The Contractor acknowledges that it has satisfied itself as to the nature of the City's service requirements and specifications, the location and essential characteristics of the work sites, the quality and quantity of materials, equipment, labor and facilities necessary to perform the services, and any other condition or state of fact which could in any way affect performance of the Contractor's obligations under the contract. The Contractor hereby releases and holds the City harmless from and against any liability or claim for damages of any kind or nature if the actual site or service conditions differ from expected conditions.

7.2 **Workforce**

7.2.1 The Contractor shall employ only orderly and competent workers, skilled in the performance of the services which they will perform under the Contract.

7.2.2 The Contractor, its employees, subcontractors, and subcontractor's employees may not while engaged in participating or responding to a solicitation or while in the course and scope of delivering goods or services under a City of Austin contract or on the City's property:

7.2.2.1 use or possess a firearm, including a handgun that is licensed under state law, except as required by the terms of the contract or allowed by law.

7.2.2.2 use or possess alcoholic or other intoxicating beverages, illegal drugs or controlled substances, nor may such workers be intoxicated, or under the influence of alcohol or drugs, on the job.

7.2.3 If the City or the City's representative notifies the Contractor that any worker is incompetent, disorderly or disobedient, has knowingly or repeatedly violated safety regulations, has possessed any firearms, or has possessed or was under the influence of alcohol or drugs on the job, the Contractor shall immediately remove such worker from Contract services, and may not employ such worker again on Contract services without the City's prior written consent.

7.3 **Compliance with Health, Safety, and Environmental Regulations:** The Contractor, its Subcontractors, and their respective employees, shall comply fully with all applicable federal, state, and local health, safety, and environmental laws, ordinances, rules and regulations in the performance of the services, including but not limited to those promulgated by the City and by the Occupational Safety and Health Administration (OSHA). In case of conflict, the most stringent safety requirement shall govern. The Contractor shall indemnify and hold the City harmless from and against all claims, demands, suits, actions, judgments, fines, penalties and liability of every kind arising from the breach of the Contractor's obligations under this paragraph.

7.4 **Significant Event:** The Contractor shall immediately notify the Contract Manager of any current or prospective "significant event" on an ongoing basis. All notifications shall be submitted in writing to Contract Manager. As used in this provision, a "significant event" is any occurrence or anticipated occurrence which might reasonably be expected to have a material effect upon the Contractor's ability to meet its contractual obligations. Significant events may include but not be limited to the following:

7.4.1 disposal of major assets;

- 7.4.2 any major computer software conversion, enhancement or modification to the operating systems, security systems, and application software, used in the performance of this contract;
- 7.4.3 any significant termination or addition of provider contracts;
- 7.4.4 the Contractor's insolvency or the imposition of, or notice of the intent to impose, a receivership, conservatorship or special regulatory monitoring, or any bankruptcy proceedings, voluntary or involuntary, or reorganization proceedings;
- 7.4.5 strikes, slow-downs or substantial impairment of the Contractor's facilities or of other facilities used by the Contractor in the performance of this contract;
- 7.4.6 reorganization, reduction and/or relocation in key personnel such as, but not limited to, customer service representatives or claims adjusters;
- 7.4.7 known or anticipated sale, merger, or acquisition;
- 7.4.8 known, planned or anticipated stock sales;
- 7.4.9 any litigation filed by a member against the Contractor; or
- 7.4.10 significant change in market share or product focus.

7.5 Right To Audit

- 7.5.1 The Contractor agrees that the representatives of the Office of the City Auditor or other authorized representatives of the City shall have access to, and the right to audit, examine, or reproduce, any and all records of the Contractor related to the performance under this Contract. The Contractor shall retain all such records for a period of three (3) years after final payment on this Contract or until all audit and litigation matters that the City has brought to the attention of the Contractor are resolved, whichever is longer. The Contractor agrees to refund to the City any overpayments disclosed by any such audit.
- 7.5.2 The Contractor shall include this provision in all subcontractor agreements entered into in connection with this Contract.

7.6 Subcontractors

- 7.6.1 Work performed for the Contractor by a Subcontractor shall be pursuant to a written contract between the Contractor and Subcontractor. The terms of the subcontract may not conflict with the terms of the Contract, and shall contain provisions that:
 - 7.6.1.1 require that all deliverables to be provided by the Subcontractor be provided in strict accordance with the provisions, specifications and terms of the Contract.
 - 7.6.1.2 prohibit the Subcontractor from further subcontracting any portion of the Contract without the prior written consent of the City and the Contractor. The City may require, as a condition to such further subcontracting, that the Subcontractor post a payment bond in form, substance and amount acceptable to the City;
 - 7.6.1.3 require Subcontractors to submit all invoices and applications for payments, including any claims for additional payments, damages or otherwise, to the Contractor in sufficient time to enable the Contractor to include same with its invoice or application for payment to the City in accordance with the terms of the Contract;
 - 7.6.1.4 require that all Subcontractors obtain and maintain, throughout the term of their contract, insurance in the type and amounts specified for the Contractor, with the City being a named insured as its interest shall appear; and
 - 7.6.1.5 require that the Subcontractor indemnify and hold the City harmless to the same extent as the Contractor is required to indemnify the City.
- 7.6.2 The Contractor shall be fully responsible to the City for all acts and omissions of the Subcontractors just as the Contractor is responsible for the Contractor's own acts and omissions. Nothing in the Contract shall create for the benefit of any such Subcontractor any contractual relationship between the City and any such Subcontractor, nor shall it create any obligation on the part of the City to pay or to see to the payment of any moneys due any such Subcontractor except as may otherwise be required by law.
- 7.6.3 The Contractor shall pay each Subcontractor its appropriate share of payments made to the Contractor not later than ten days after receipt of payment from the City.

7.7 **Stop Work Notice:** The City may issue an immediate Stop Work Notice in the event the Contractor is observed performing in a manner that is in violation of Federal, State, or local guidelines, or in a manner that is determined by the City to be unsafe to either life or property. Upon notification, the Contractor will cease all work until notified by the City that the violation or unsafe condition has been corrected. The Contractor shall be liable for all costs incurred by the City as a result of the issuance of such Stop Work Notice.

7.8 **Indemnity:**

7.8.1 Definitions:

7.8.1.1 "Indemnified Claims" shall include any and all claims, demands, suits, causes of action, judgments and liability of every character, type or description, including all costs and expenses of litigation, mediation or other alternate dispute resolution mechanism, including attorney and other professional fees for:

7.8.1.1.1 damage to or loss of the property of any person (including, but not limited to the City, the Contractor, their respective agents, officers, employees and subcontractors; the officers, agents, and employees of such subcontractors; and third parties); and/or;

7.8.1.1.2 death, bodily injury, illness, disease, worker's compensation, loss of services, or loss of income or wages to any person (including but not limited to the agents, officers and employees of the City, the Contractor, the Contractor's subcontractors, and third parties),

7.8.1.2 "Fault" shall include the sale of defective or non-conforming deliverables, negligence, willful misconduct, or a breach of any legally imposed strict liability standard.

7.8.2 **THE CONTRACTOR SHALL DEFEND (AT THE OPTION OF THE CITY), INDEMNIFY, AND HOLD THE CITY, ITS SUCCESSORS, ASSIGNS, OFFICERS, EMPLOYEES AND ELECTED OFFICIALS HARMLESS FROM AND AGAINST ALL INDEMNIFIED CLAIMS ARISING OUT OF, INCIDENT TO, CONCERNING OR RESULTING FROM THE FAULT OF THE CONTRACTOR, OR THE CONTRACTOR'S AGENTS, EMPLOYEES OR SUBCONTRACTORS, IN THE PERFORMANCE OF THE CONTRACTOR'S OBLIGATIONS UNDER THE CONTRACT. NOTHING HEREIN SHALL BE DEEMED TO LIMIT THE RIGHTS OF THE CITY OR THE CONTRACTOR (INCLUDING, BUT NOT LIMITED TO, THE RIGHT TO SEEK CONTRIBUTION) AGAINST ANY THIRD PARTY WHO MAY BE LIABLE FOR AN INDEMNIFIED CLAIM.**

7.9 **Claims:** If any claim, demand, suit, or other action is asserted against the Contractor which arises under or concerns the Contract, or which could have a material adverse affect on the Contractor's ability to perform thereunder, the Contractor shall give written notice thereof to the City within ten (10) calendar days after receipt of notice by the Contractor. Such notice to the City shall state the date of notification of any such claim, demand, suit, or other action; the names and addresses of the claimant(s); the basis thereof; and the name of each person against whom such claim is being asserted. Such notice shall be delivered personally or by mail and shall be sent to the City and to the Austin City Attorney. Personal delivery to the City Attorney shall be to City Hall, 301 West 2nd Street, 4th Floor, Austin, Texas 78701, and mail delivery shall be to P.O. Box 1088, Austin, Texas 78767.

7.10 **Notices:** Unless otherwise specified, all notices, requests, or other communications required or appropriate to be given under the Contract shall be in writing and shall be deemed delivered three (3) business days after postmarked if sent by U.S. Postal Service Certified or Registered Mail, Return Receipt Requested. Notices delivered by other means shall be deemed delivered upon receipt by the addressee. Routine communications may be made by first class mail, fax, or other commercially accepted means. Notices to the City and the Contractor shall be addressed as follows:

To the City:

City of Austin, Economic Development
Department

ATTN: Global Business Recruitment and

To the Contractor:

Capital Investing in Development and
Employment of Adults, Inc.

ATTN: Steve Jackobs, Executive

Expansion Manager

301 W. Second Street, Suite 2030
Austin, TX 78701

835 N Pleasant Valley Rd
Austin, Texas 78701

- 7.11 **Confidentiality:** In order to provide the deliverables to the City, Contractor may require access to certain of the City's and/or its licensors' confidential information (including inventions, employee information, trade secrets, confidential know-how, confidential business information, and other information which the City or its licensors consider confidential) (collectively, "Confidential Information"). Contractor acknowledges and agrees that the Confidential Information is the valuable property of the City and/or its licensors and any unauthorized use, disclosure, dissemination, or other release of the Confidential Information will substantially injure the City and/or its licensors. The Contractor (including its employees, subcontractors, agents, or representatives) agrees that it will maintain the Confidential Information in strict confidence and shall not disclose, disseminate, copy, divulge, recreate, or otherwise use the Confidential Information without the prior written consent of the City or in a manner not expressly permitted under this Contract, unless the Confidential Information is required to be disclosed by law or an order of any court or other governmental authority with proper jurisdiction, provided the Contractor promptly notifies the City before disclosing such information so as to permit the City reasonable time to seek an appropriate protective order. The Contractor agrees to use protective measures no less stringent than the Contractor uses within its own business to protect its own most valuable information, which protective measures shall under all circumstances be at least reasonable measures to ensure the continued confidentiality of the Confidential Information.
- 7.12 **Advertising:** The Contractor shall not advertise or publish, without the City's prior consent, the fact that the City has entered into the Contract, except to the extent required by law.
- 7.13 **No Contingent Fees:** The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the Contract upon any agreement or understanding for commission, percentage, brokerage, or contingent fee, excepting bona fide employees of bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the City shall have the right, in addition to any other remedy available, to cancel the Contract without liability and to deduct from any amounts owed to the Contractor, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.
- 7.14 **Gratuities:** The City may, by written notice to the Contractor, cancel the Contract without liability if it is determined by the City that gratuities were offered or given by the Contractor or any agent or representative of the Contractor to any officer or employee of the City of Austin with a view toward securing the Contract or securing favorable treatment with respect to the awarding or amending or the making of any determinations with respect to the performing of such contract. In the event the Contract is canceled by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover or withhold the amount of the cost incurred by the Contractor in providing such gratuities.
- 7.15 **Prohibition Against Personal Interest in Contracts:** No officer, employee, independent consultant, or elected official of the City who is involved in the development, evaluation, or decision-making process of the performance of any solicitation shall have a financial interest, direct or indirect, in the Contract resulting from that solicitation. Any willful violation of this section shall constitute impropriety in office, and any officer or employee guilty thereof shall be subject to disciplinary action up to and including dismissal. Any violation of this provision, with the knowledge, expressed or implied, of the Contractor shall render the Contract voidable by the City.
- 7.16 **Independent Contractor:** The Contract shall not be construed as creating an employer/employee relationship, a partnership, or a joint venture. The Contractor's services shall be those of an independent Contractor. The Contractor agrees and understands that the Contract does not grant any rights or privileges established for employees of the City.
- 7.17 **Assignment-Delegation:** The Contract shall be binding upon and inure to the benefit of the City and the Contractor and their respective successors and assigns, provided however, that no right or interest in the

Contract shall be assigned and no obligation shall be delegated by the Contractor without the prior written consent of the City. Any attempted assignment or delegation by the Contractor shall be void unless made in conformity with this paragraph. The Contract is not intended to confer rights or benefits on any person, firm or entity not a party hereto; it being the intention of the parties that there be no third party beneficiaries to the Contract.

- 7.18 **Waiver:** No claim or right arising out of a breach of the Contract can be discharged in whole or in part by a waiver or renunciation of the claim or right unless the waiver or renunciation is supported by consideration and is in writing signed by the aggrieved party. No waiver by either the Contractor or the City of any one or more events of default by the other party shall operate as, or be construed to be, a permanent waiver of any rights or obligations under the Contract, or an express or implied acceptance of any other existing or future default or defaults, whether of a similar or different character.
- 7.19 **Modifications:** The Contract can be modified or amended only by a writing signed by both parties. No pre-printed or similar terms on any the Contractor invoice, order or other document shall have any force or effect to change the terms, covenants, and conditions of the Contract. Notwithstanding the prior sentence, the City may unilaterally direct an increase or reduction in Scope of Work as a result of changes in funding availability for the project. If any amendments result in increased or decreased costs, the City and the Contractor agree to negotiate an equitable adjustment in the amount of compensation for this Agreement.
- 7.20 **Interpretation:** The Contract is intended by the parties as a final, complete and exclusive statement of the terms of their agreement. No course of prior dealing between the parties or course of performance or usage of the trade shall be relevant to supplement or explain any term used in the Contract. Although the Contract may have been substantially drafted by one party, it is the intent of the parties that all provisions be construed in a manner to be fair to both parties, reading no provisions more strictly against one party or the other. Whenever a term defined by the Uniform Commercial Code, as enacted by the State of Texas, is used in the Contract, the UCC definition shall control, unless otherwise defined in the Contract.
- 7.21 **Dispute Resolution**
- 7.21.1 If a dispute arises out of or relates to the Contract, or the breach thereof, the parties agree to negotiate prior to prosecuting a suit for damages. However, this section does not prohibit the filing of a lawsuit to toll the running of a statute of limitations or to seek injunctive relief. Either party may make a written request for a meeting between representatives of each party within fourteen (14) calendar days after receipt of the request or such later period as agreed by the parties. Each party shall include, at a minimum, one (1) senior level individual with decision-making authority regarding the dispute. The purpose of this and any subsequent meeting is to attempt in good faith to negotiate a resolution of the dispute. If, within thirty (30) calendar days after such meeting, the parties have not succeeded in negotiating a resolution of the dispute, they will proceed directly to mediation as described below. Negotiation may be waived by a written agreement signed by both parties, in which event the parties may proceed directly to mediation as described below.
- 7.21.2 If the efforts to resolve the dispute through negotiation fail, or the parties waive the negotiation process, the parties may select, within thirty (30) calendar days, a mediator trained in mediation skills to assist with resolution of the dispute. Should they choose this option, the City and the Contractor agree to act in good faith in the selection of the mediator and to give consideration to qualified individuals nominated to act as mediator. Nothing in the Contract prevents the parties from relying on the skills of a person who is trained in the subject matter of the dispute or a contract interpretation expert. If the parties fail to agree on a mediator within thirty (30) calendar days of initiation of the mediation process, the mediator shall be selected by the Travis County Dispute Resolution Center (DRC). The parties agree to participate in mediation in good faith for up to thirty (30) calendar days from the date of the first mediation session. The City and the Contractor will share the costs of mediation equally.
- 7.22 **Jurisdiction And Venue:** The Contract is made under and shall be governed by the laws of the State of Texas, including, when applicable, the Uniform Commercial Code as adopted in Texas, V.T.C.A., Bus. & Comm. Code, Chapter 1, excluding any rule or principle that would refer to and apply the substantive law of another state or jurisdiction. All issues arising from this Contract shall be resolved in the courts of

Travis County, Texas and the parties agree to submit to the exclusive personal jurisdiction of such courts. The foregoing, however, shall not be construed or interpreted to limit or restrict the right or ability of the City to seek and secure injunctive relief from any competent authority as contemplated herein.

7.23 **Invalidity:** The invalidity, illegality, or unenforceability of any provision of the Contract shall in no way affect the validity or enforceability of any other portion or provision of the Contract. Any void provision shall be deemed severed from the Contract and the balance of the Contract shall be construed and enforced as if the Contract did not contain the particular portion or provision held to be void. The parties further agree to reform the Contract to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision. The provisions of this section shall not prevent this entire Contract from being void should a provision which is the essence of the Contract be determined to be void.

7.24 **Holidays:** The following holidays are observed by the City:

<u>Holiday</u>	<u>Date Observed</u>
New Year's Day	January 1
Martin Luther King, Jr.'s Birthday	Third Monday in January
President's Day	Third Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Veteran's Day	November 11
Thanksgiving Day	Fourth Thursday in November
Friday after Thanksgiving	Friday after Thanksgiving
Christmas Eve	December 24
Christmas Day	December 25

If a Legal Holiday falls on Saturday, it will be observed on the preceding Friday. If a Legal Holiday falls on Sunday, it will be observed on the following Monday.

7.25 **Survivability of Obligations:** All provisions of the Contract that impose continuing obligations on the parties, including but not limited to the warranty, indemnity, and confidentiality obligations of the parties, shall survive the expiration or termination of the Contract.

7.26 **Non-Suspension or Debarment Certification:** The City of Austin is prohibited from contracting with or making prime or sub-awards to parties that are suspended or debarred or whose principals are suspended or debarred from Federal, State, or City of Austin Contracts. By accepting a Contract with the City, the Vendor certifies that its firm and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the General Services Administration List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.

7.27 **Incorporation of Documents:** Section 0100, Standard Purchase Definitions, is hereby incorporated into this Contract by reference, with the same force and effect as if they were incorporated in full text. The full text versions of this Section are available, on the Internet at the following online address: <http://www.austintexas.gov/department/purchasing>.

7.28 **Order of Precedence:** The Contract includes, without limitation, the Offer submitted, the Contract award, the Standard Purchase Terms and Conditions, Supplemental Terms and Conditions if any, Specifications, and amendments thereto. Any inconsistency or conflict in the Contract documents shall be resolved by giving precedence in the following order.

7.28.1 any exceptions to the Offer accepted in writing by the City;

- 7.28.2 the Supplemental Purchase Terms and Conditions;
- 7.28.3 the Standard Purchase Terms and Conditions;
- 7.28.4 the Offer, exhibits, and attachments; within the Offer.

In witness whereof, the parties have caused duly authorized representatives to execute this Agreement on the dates set forth below.

CAPITAL INVESTING IN DEVELOPMENT AND EMPLOYMENT OF ADULTS, INC.

By: 
Signature
Name: Steven E Vackob
Printed Name
Title: Executive Director
Date: 9/24/15

CITY OF AUSTIN

By: 
Signature
Name: Sue Edwards
Assistant City Manager
Date: 10/1/2015

APPROVED AS TO FORM:


C. Crosby
Assistant City Attorney
City of Austin

List of Exhibits

EXHIBITS

Exhibit A Scope of Work

EXHIBIT A: SCOPE OF WORK

Introduction

Capital IDEA's mission is to lift working adults out of poverty and into living wage careers through education. Capital IDEA does this by offering a range of direct and support services designed specifically to help low-income, non-traditional adult students navigate the complex community college system, succeed academically, and attain high-paying jobs.

Connection to the Self-Sufficiency Goals and Life Continuum Categories

The primary Self-Sufficiency Goal addressed is "Transition Out of Poverty," and the primary Life Continuum Goal is "Adults and Families." Additional Self-Sufficiency Goals of "Safety Net Infrastructure" and "Universal Support Services".

As Capital IDEA's mission is to lift working adults out of poverty and into living wage careers through education, Capital IDEA provides the participants the tools they need to connect to jobs with good wages, benefits, and career path opportunities. In order to achieve these goals, the program provides access to developmental education in addition to fully funding education towards certifications and degrees required for such careers.

The strategy reaches individuals across two Life Continuum categories: primarily Adults, but also Youth ages 18 to 21. Capital IDEA conducts outreach to organizations serving young adults, including LifeWorks, American YouthWorks, and a number of high schools in low-income areas.

Program Overview and Strategy

Outreach – Capital IDEA focuses its outreach efforts on those communities in Austin and the surrounding area with the highest levels of poverty and unemployment. Capital IDEA is able to target outreach in these locations thanks to the wide reach of partner agencies, including Austin Interfaith – the founding organization – and its member network of congregations, schools, and other community groups. Other organizations critical to outreach efforts include a broad range of nonprofit partners, City of Austin agencies and offices, workforce development board offices, and other state and local government agencies. Together these organizations connect low-income Central Texans to Capital IDEA through a variety of methods, such as flyer distribution, social media, and referrals. All interested individuals are encouraged to attend a Capital IDEA orientation – the first step in the application process. Approximately 30 orientation sessions are held each year at locations throughout the area such as churches, community centers, schools, and workforce centers. Over 1,000 area residents attend Capital IDEA orientations each year. During the one-hour orientation, attendees are given information on the program, including what services provided, basic qualifications, sponsored careers, the commitment required, and information on the next step in the process. Capital IDEA staff members also answer questions about the program.

Assessment – After attending an orientation, candidates wishing to enroll in Capital IDEA register for assessments, including the Test of Adult Basic Education (TABE) and the System for Assessment and Group Evaluation (SAGE). These assessments are administered by Capital IDEA staff at no cost to applicants. The TABE is designed to assess reading and math skills and determine college readiness. Those who meet the standard fifth-grade reading and math minimums, yet score below college-entry levels are enrolled in Capital IDEA's College Prep Academy. The purpose of the SAGE test is to measure interests, strengths, aptitudes, and cognitive abilities in order to determine a candidate's fit and commitment for a particular career. Then, during an intensive two-hour career counseling session, Capital IDEA Career Guidance Specialists meet one-on-one with applicants to review the test results and application documentation. They also work with applicants to prepare Individual Service Strategies that outline the training and support services needed to meet their educational and career goals. Finally, applicants are interviewed by one of Capital IDEA's Directors who make the final decision on acceptance. At this stage, applicants are also asked to make a commitment to finish each

step of their education and to demonstrate a willingness to volunteer to help others once they have completed their training and entered employment.

Job Training – Almost all Capital IDEA participants enroll in certificate or Associate degree-level training at a community college towards a career that has been shown to be high-paying and in-demand in the Central Texas area. The vast majority of students (95%) enroll at Austin Community College, with most of the rest taking classes at Temple College. Currently, Capital IDEA sponsors 23 career paths from healthcare, high-tech, and professional trade industries. Over two-thirds of Capital IDEA participants choose to enter healthcare fields, including Registered Nursing, Licensed Vocational Nursing, Dental Hygiene, Surgical Technician, Medical Coding, Occupational Therapy, Biotechnology, and more. Examples of non-healthcare fields include Network Administration, Automotive Technician, Power Utility, Land Surveying, Electronics Technician, Computer Support, and Heating, Air Conditioning & Refrigeration.

In addition to paying for tuition, fees, and books for all sponsored careers, Capital IDEA also fully funds other items necessary to job training, such as vaccinations, uniforms, and equipment.

Case Management – Capital IDEA’s most critical activity for overall client success is the individualized case management Capital IDEA participants receive. Once enrolled in the program, students are assigned a Career Navigator who will be their advocate during their academic journey. Career Navigators are full-time Capital IDEA staff whose role is to help guide participants through the complex higher education system. This is especially important because the majority of Capital IDEA’s participants are non-traditional, first-generation college students.

Prior to each semester, Career Navigators advise participants on which classes to take in order to achieve their goals as laid out in the Individual Service Strategy. In addition, they provide practical, experienced advice on balancing college with the varying responsibilities of family, work, and personal lives. All participants are encouraged to remain in regular contact with Career Navigators. This regular contact often occurs during weekly group meetings called Career Sponsorship Support Sessions (CSSS or “CS3”). Each of these peer support meetings revolves around a different topic each week that is beneficial to adult students, including study skills, financial education, and interpersonal relationship skills. For services not offered by Capital IDEA, Career Navigators provide referrals to other community nonprofit partners, including for financial counseling, English as a Second Language, family counseling and medical services.

Career Placement Services – As participants near program completion, participants meet with the Employer Coordinator to develop a personalized employment plan and begin the job search. Additional placement services include resume-writing assistance and job interviewing skills. Capital IDEA boasts a high 97% placement rate. Once placed, the Employer Coordinator also obtains placement verification and tracks earnings records. Capital IDEA’s Employer Coordinator also works directly with hiring managers throughout Central Texas in order to strategize ways that the program can meet the needs of area employers and provide graduates with access to high-paying, in-demand jobs.

Addressing Barriers - The primary barriers the target population faces to accessing the necessary workforce training without Capital IDEA is the high cost of post-high school education, childcare, and transportation. This is why, in addition to paying for tuition, fees, and books, Capital IDEA’s program offers a range of wrap-around support services designed to help low-income adult students stay in school and focused on their long-term goals. Because the majority of participants are parents, balancing the demands of a college course load with home life is crucial. Depending on eligibility requirements, Capital IDEA either pays directly for childcare and/or refers participants to the Texas Workforce Commission’s Child Care Services (CCS). Childcare is only provided during those times participants are in class or otherwise engaged in academic-related work. Transportation issues are another barrier to adult student success. Capital IDEA provides participants with Capital Metro bus passes and, for qualifying students, gas cards are also available on a limited basis.

Service Coordination

Formal service coordination - Capital IDEA works with a number of partnering agencies to better provide the services participants need to succeed. Service coordination consists of both formal and informal partnerships across a broad range of organizations serving low-income Central Texans. One of the most vital components of the program – the College Prep Academy – is the result of a 15-year, successful formal partnership with Austin Community College. As outlined above, participants in need of developmental education enroll in the 12-week College Prep Academy. Students completing the Academy pass the college-entrance exam and move on to college-level coursework at much higher rates than non-Capital IDEA students. Another formal partnership with ACC allows program participant weekly meetings (CS3, formerly known as “VIP”) to qualify for reimbursement and Continuing Education credits. This partnership increases the success of Capital IDEA participants and helps to reduce costs. Formal partnerships are also in place with both Workforce Solutions Capital Area and Workforce Solutions Rural Capital Area allowing co-enrollment of eligible participants under the Workforce Investment Act (WIA). The workforce development boards also play a vital role in delivering childcare services to many program participants thanks to the Texas Workforce Commission’s Child Care Services. In addition, Capital IDEA regularly conducts orientations at the workforce center in Austin. A recent formal partnership was also made with LifeWorks, wherein Capital IDEA coenrolls up to 15 men who are participants in LifeWorks’ Young Fathers Program.

Informal service coordination - Capital IDEA refers applicants in need of basic English as a Second Language (ESL) or GED services to providers throughout the community who provide those services for little or no cost. Students attaining these levels are then welcome to apply to Capital IDEA. This minimizes service duplication and allows the program to focus on adult student success in long-term training.

Capital IDEA Career Navigators routinely refer participants to a wide variety of City-funded social service agencies including Caritas of Austin, Foundation Communities, Goodwill Industries, LifeWorks, SkillPoint Alliance and Texas RioGrande Legal Aid. Referrals are also made to Ascend Austin, Austin Urban League, Dress for Success, El Buen Samaritano Episcopal Mission, Literacy Coalition of Central Texas, SafePlace, the Samaritan Center for Counseling, and St. Vincent de Paul.

Capital IDEA, through its on-staff Employer Coordinator, develops informal employer partnerships to identify emerging careers that will provide a living wage, benefits, and opportunities for advancement for program participants. The Employer Coordinator is responsible for the ongoing engagement of employers with Capital IDEA as well as coordinating with ACC to successfully develop new or update existing training programs to meet employer needs. Because the majority of program participants are enrolled in healthcare training programs, Capital IDEA has long-standing and strong partnerships with the leading healthcare organizations in the area, including St. David’s HealthCare and Seton Healthcare Family. Leaders of both institutions were founding Board members and both systems continue to provide some funding to help defray Capital IDEA costs.

Connecting to public benefits & mainstream resources - Many of Capital IDEA’s students are already taking advantage of public assistance when they enroll in the program. For those that aren’t but would qualify, Career Navigators assist participants to apply for public benefits such as SNAP, WIC, CHIP, Medicaid, the Medical Assistance Program, and TANF, in order to help support living expenses while in Capital IDEA’s program. These benefits are critical to supporting the target population while they are on the road to self-sufficiency.

Additional services - Capital IDEA maintains other informal partnerships with food pantries, church social ministries, doctor’s offices, clinics, and many others. These relationships enable Capital IDEA to leverage support for the income, housing, mental health, food assistance, rent assistance, and other survival needs of participants.

Community Planning Activities

Activities specific to proposed services - Capital IDEA is active in numerous community planning activities related to the services proposed. Serving on the Executive Committee of the Healthcare Workforce Alliance of Central Texas, Capital IDEA works with this industry-led and community-sponsored group that utilizes a collaborative approach to close the gap between employer demand for a diverse, trained healthcare workforce and the workforce in need of training and preparation in order to enter healthcare occupations. Capital IDEA is also an active member of One Voice of Central Texas, a coalition of health and human service nonprofit leadership advocating on behalf of vulnerable Central Texans and supporting best practices in nonprofit management. In addition, Capital IDEA is active with the Austin/Travis County Workforce Continuum, an informal group of workforce organizations defining the populations in Travis County in need of workforce services, and the City of Austin Economic Development Department.

Other relevant activities - Other relevant local community planning activities include participation with the E3 Alliance, AARO's Workforce Potential Project, and the Greater Austin Chamber's Austin Community College Progress Report Task Force. Additionally, Capital IDEA works with the Network of Texas Organizations that focuses on statewide workforce policy.

Data Management and Program Evaluation

Capital IDEA has utilized electronic data systems since its founding. It currently maintains a robust online data manager (ODM) using software provided by Community TechKnowledge (CTK), an Austin-based company specializing in non-profit organizations and public agencies. The ODM has the capacity to track and analyze a number of demographic variables impacting student success rates. The system is also used extensively by Career Navigators for case management purposes. The academic progress of each participant is measured using grade reports, Career Navigator's case notes, and records of supportive services accessed, all of which are documented in the database. In addition, participants entering employment provide Capital IDEA with documentation such as a paystub, which allows for accurate tracking of earnings in the database. In 2013, Capital IDEA converted paper records to a web-based document management system.

Collection and analysis over time allows Capital IDEA to track and compare performance, and respond accordingly. Interventions to improve student performance have included targeted outreach to specific populations such as homeless or men, refining the format and scheduling of orientations to reach more potential applicants, and the redesign of the application process. Tracking of the performance of graduates allows Capital IDEA to determine whether to modify or enhance the training and credentials of students-in-progress, as well as to change the career options offered to new participants. Data reports exported from the ODM are regularly evaluated by staff members, including the Executive Director, Director of Operations, and Institutional Relations Officer. Overall program performance is monitored internally on a weekly basis, bimonthly by the Board of Directors, and on an ongoing basis by funders. Because the City of Austin also utilizes the same CTK system, reporting functions are also easier and more efficient.

Capital IDEA also accesses grade reports electronically from ACC to analyze student progress, both individual and aggregate. Patterns in data identify areas needing improvement. Capital IDEA and ACC staff jointly design interventions, which have included targeted tutoring, the new Health Careers Academy, and the creation of cohort classes.

Target Population

Capital IDEA's current target population is the low-income adults of Austin and Travis County who are willing to commit to long-term education, which is the same as the target population for this proposed project.

Capital IDEA attracts a diverse population that traditionally has not had access to college-level careers. Approximately 80% of Capital IDEA participants are from ethnic minority backgrounds. The average age of participants is 30, and the majority of them are the first in their family to attend college. Despite their diversity

of backgrounds and experiences, all participants share a common desire to improve the lives of themselves and their families.

Clients with criminal histories - For applicants with criminal histories, Capital IDEA has implemented a number of strategies to prepare them for appropriate careers. Criminal histories are reviewed by Career Guidance Specialists on a case by-case basis during the enrollment process. If a conviction is less than ten years old, the applicant is referred to the appropriate licensing authority or State Board to obtain clearance before proceeding with enrollment. If the offense is more than ten years old but is a serious matter they are still referred for clearance. A list of State Boards phone numbers and websites are also shared with the applicants. If the applicant with a criminal background has assessment results showing that they are compatible with a career that does not require licensing, Career Guidance Specialists may recommend pursuing that career training. Applicants with criminal histories for whom Capital IDEA currently do not sponsor any appropriate careers are referred to partner agencies for additional job training possibilities.

Client eligibility - Capital IDEA's basic eligibility for participation in the proposed project is: Living at or below 200% of Federal Poverty Income Guidelines at enrollment; Age 18 or over; Have a high school diploma or GED; Have not previously completed an Associate degree or higher; U.S. Citizen or Permanent Resident; Resident of Austin or Travis County; Ability to commit to long-term training in one of the program sponsored careers; and a commitment to giving back to the community after completion. To document income, applicants are required to provide hard-copy documentation, including tax returns, pay stubs, food stamps, TANF programs, and other benefit letters, along with documentation of family size, including birth certificates and social security cards. Capital IDEA's database calculates if a participant falls at or below 200% of the Federal Poverty Income Guidelines. In addition, for City of Austin residents, Capital IDEA utilizes the Determination of Participant Financial Need form created specifically to adhere to City eligibility guidelines. Similarly, Capital IDEA's staff determines residency by requiring at least one of the following hard-copy documentation from applicants: an official form of ID or driver's license with current address; utility bills; current lease or mortgage statement; or a tax statement.

CLAS standards - Capital IDEA commits to adopting the outlined National CLAS Standards to implement culturally and linguistically appropriate services that will ultimately advance equity, improve quality, and help eliminate service delivery disparities. Capital IDEA's Director of Operations, who manages service delivery from outreach and intake to placement, will be responsible for incorporating the CLAS standards into the Operations Manual and integrating them into everyday services.

Task and Requirements

- a) The Contractor, as an independent contractor and not as an agent of the City, shall provide all personnel, services and supplies necessary to support delivery of the program to 758 unduplicated clients in the initial 3 year term and 125 unduplicated clients in each and any additional year.
- b) The Contractor shall align and update its training disciplines according to the needs of the local industry through input received in their participation on community and industry boards or committees.
- c) The Contract shall ensure client eligibility upon program entry and thereafter shall monitor ongoing eligibility for residency and life change events resulting in significant variation as defined by the City.

Reporting and Measures

The Contractor shall deliver quarterly and annual reports to the City of Austin that highlight the progress made by Contractor in achieving the objectives set forth in this scope of work document. The report is due to the City within thirty (30) days of the end of each reporting quarter and should be submitted with all quarterly invoices.

The City will meet with the contractor annually to renew or revise requirements for reporting and measures.

The Contractor's quarterly and annual reports shall contain, but not be limited to, the following items:

Quarterly Outputs

- a) Number of unduplicated clients served.
- b) Number of clients in College Prep Academy.
- c) Number of clients in college-level coursework.
- d) Number of clients obtaining employment.

Quarterly Outcomes

- e) Percentage of participants seeking employment who obtain employment.
- f) Percentage of clients that retain employment for a period specified by the City.
- g) Percentage of clients who obtain employment at or above target wages levels as specified by the City.
- h) Percentage of participants completing College Prep Academy.
- i) Percentage of participants who remain in the program.

Quarterly Comments

- j) If any of the agreed measures do not meet quarterly goals or are not on track to meet the annual goals, the Contractor shall provide an explanation for the status of the metric and detail plans to make necessary adjustments to meet the annual goal.

Quarterly Reports

- k) Provide a list of all workforce and or community board or committee meetings attended within the reporting period.

Annual Reports and Commentary

- l) The Contractor shall provide an annual report summarizing annual program outputs and outcomes, successes and challenges. Included in the report, the Contractor shall provide summary and comment on activities to ensure continuous alignment of the program training disciplines with local industry workforce needs including, but not limited to, major discussions and recommendations of any workforce, industry or community boards and committees. The report should outline all planned or proposed changes to programming, content or service delivery. Submitted with the annual report, the Contractor shall supply a report of client demographics as defined by the City.

Release of Funds Statement

The City shall release funds within thirty (30) days of receipt of an accepted invoice and quarterly report that meet all required formatting and information.

If the Contractor's invoice, performance or reporting does not meet the required standards, it shall be paid for any approved portion, with the balance to be paid within thirty (30) days of receipt of compliant invoice, reporting and performance.

The Contractor may submit an initial payment request of up to \$226,130 (20% of full annual contract amount \$1,130,650) within thirty (30) days after the contract start date.

The Contractor shall submit all remaining invoices within (30) days of the end of the reporting quarter in an amount up to twenty-five percent (25%) of remaining annual contract amount not requested in the initial payment.

Capital IDEA 2016 Performance Measures Summary

		Annual Goal
OUTPUTS		
OP-1A	Number of clients in College Prep Academy (all funding)	
OP-1B	Number of clients in college-level coursework (all funding)	
OP-1	Number of unduplicated clients served (all funding)	758

OUTCOMES		Total Program Performance Data (All Funding)	
OC-1N	<i>Number of clients who obtain employment</i>		
OC-1D	<i>Number of clients seeking employment</i>		
OC-1	Percentage of clients seeking employment who obtain employment		90%
OC-2N	<i>Number of clients obtaining employment within 90 days of program completion</i>		
OC-1D	<i>Number of clients seeking employment</i>		
OC-3	Percentage of clients who retain employment for 6 months		95%
OC-4N	<i>Number of clients who obtain employment at \$12.00/hour or more</i>		
OC-4D	<i>Number of clients who obtained employment</i>		
OC-4	Percentage of clients who obtain employment at \$12.00/hour or more		90%
OC-5N	<i>Number of clients who complete College Prep Academy</i>		
OC-5D	<i>Number of clients who begin College Prep Academy</i>		
OC-5	Percentage of participants completing College Prep Academy		90%
OC-6N	<i>Number of clients who remained in the program</i>		
OC-6D	<i>Number of clients who begin in the program</i>		
OC-6	Percentage of participants who remain in the program		85%



Council Question and Answer

Related To	Item #9	Meeting Date	April 21, 2016
Additional Answer Information			

QUESTION: 1) Please provide historical funding data for Capital IDEA and any proposed funding for future budget cycles? 2) Please provide examples of current performance measures to include numbers served, number who finish the program, number employed, etc. 3) What exactly will the \$350,000 in one time funding be used for? COUNCIL MEMBER HOUSTON'S OFFICE

ANSWER: 1) The City of Austin has contracted with Capital IDEA for workforce development services since approximately 2000. With regard to funding that is currently in place, City Council approved funding allocations to Capital IDEA for workforce development are as follows: FY 2014 - \$1,130,650; FY 2015 - \$1,480,650; FY 2016 - \$1,830,650 (including funds from this item). The Economic Development Department budget includes ongoing funding for workforce development with Capital IDEA in the amount of \$1,130,650 per year through the end of the contract term (FY 2021).

The authorization history is as follows:

- November 20, 2014 – Council authorized negotiation and execution of Amendment No. 7 to an existing agreement with Capital IDEA, to increase funding by \$350,000 for the period of October 1, 2014 through September 30, 2015. This amendment included one, 12-month renewal option.
- November 20, 2014 – Council authorized award, negotiation and execution of a new 37-month contract with Capital IDEA beginning September 1, 2015 in an amount not to exceed \$3,391,950 with three, 12-month extension options in an amount not to exceed \$1,130,650, for a total contract amount not to exceed \$6,783,900.
- September 8, 2015 – Council approved Ordinance No. 20150908-002 adopting the Fiscal Year 2015-2016 Operating Budget, allocating \$350,000 in additional one-time funds for Capital IDEA. Authorization of the negotiation and execution of the contract associated with this allocation is the action posted for Council consideration.

Attached for your information is a numerical representation of the referenced funding (Attachment 1).

2) During the FY15-16 budget deliberations, Capital IDEA projected being able to serve 50 additional clients with this funding. This number is in addition to the 758 clients already served through their existing contracts. Performance measures are intended to remain consistent with additional requirements for reporting activity towards new programming and practices for reaching greater scale and efficiency of delivery.

3) Performance measures for the existing contracts include output measures for the number of clients served through various programs and subsequent employment of those clients. Percentage based outcome measures reflect employment at living wage levels success rates and employment retention. See pages 19-20 of the attached existing contract for a complete list of the performance measures (Attachment 2). Also attached are the 2016 performance goals for the current contract (Attachment 3). The Economic Development Department is working with the Health and Human Services Department to compile data that captures past performance.

Recent Past EDD Funding to Capital Idea

Contract	FY14	FY15
Capital Idea	\$1,130,650	\$1,130,650 << end year of past contract; base contract rebid and awarded in same amount beginning FY16
Capital Idea		\$350,000 << Added from the dais - \$350,000 annual ongoing funding
Capital Idea Total	\$1,130,650	\$1,480,650

All EDD Funds under contract to Capital Idea

Contract	FY16	FY17	FY18	FY19	FY20	FY21	Total FY16 - FY21
Capital Idea	\$1,130,650	\$1,130,650	\$1,130,650	\$1,130,650 (1st ext.)	\$1,130,650 (2nd ext.)	\$1,130,650 (3rd ext.)	\$6,783,900
Capital Idea	\$350,000 << Contract Expires FY16						\$350,000 <i>*Depends on renewal of funds</i>
Capital Idea	\$350,000 << One-time funds from dais (FY16 only)						
Capital Idea Total	\$1,830,650	\$1,130,650	\$1,130,650	\$1,130,650	\$1,130,650	\$1,130,650	\$7,483,900 <i>*Depends on renewal of funds</i>

**CONTRACT BETWEEN THE CITY OF AUSTIN
AND
CAPITAL INVESTING IN DEVELOPMENT AND EMPLOYMENT OF ADULTS, INC.
FOR
CAREER AND OCCUPATIONAL TRAINING**

This Agreement is made by and between the City of Austin ("City"), a home-rule municipality incorporated by the State of Texas, and Capital Investing in Development and Employment of Adults, Inc. ("Contractor"), having offices at 835 N Pleasant Valley Rd, Austin, TX 78701.

SECTION 1. GRANT OF AUTHORITY, SERVICES AND DUTIES

- 1.1 **Engagement of the Contractor.** Subject to the general supervision and control of the City and subject to the provisions of the Terms and Conditions contained herein, the Contractor is engaged to provide the services set forth in the Scope of Work, which is attached hereto as Exhibit A.
- 1.2 **Responsibilities of the Contractor.** The Contractor shall provide all technical and professional expertise, knowledge, management, and other resources required for accomplishing all aspects of the tasks and associated activities identified in the Scope of Work. In the event that the need arises for the Contractor to perform services beyond those stated in the Scope of Work, the Contractor and the City shall negotiate mutually agreeable terms and compensation for completing the additional services.
- 1.3 **Responsibilities of the City.** The City's Contract Manager will be responsible for exercising general oversight of the Contractor's activities in completing the Scope of Work. Specifically, the Contract Manager will represent the City's interests in resolving day-to-day issues that may arise during the term of this Contract, shall participate regularly in conference calls or meetings for status reporting, shall promptly review any written reports submitted by the Contractor, and shall approve all invoices for payment, as appropriate. The City's Contract Manager shall give the Contractor timely feedback on the acceptability of progress and task reports. The City shall at all times govern and exercise ultimate control over the City owned assets of the program and the Contractor shall perform the functions described in this Agreement in accordance with all existing and hereafter adopted policies and directives of the City. The City shall at all times retain the power to modify, change and initiate policies and directives without regard to prior discussions and directives of the Contractor.
- 1.4 **Designation of Key Personnel.** The Contractor's Contract Manager for this engagement shall be Steven C Jackobs, Executive Director. The City's Contract Manager for the engagement shall be David Colligan, Global Business Recruitment and Expansion Manager or designee. If either party replaces its Contract Manager, that party shall promptly send written notice of the change to the other party. The notice shall identify a qualified and competent replacement and provide contact information.

SECTION 2. SCOPE OF WORK.

- 2.1 **Contractor's Obligations.** The Contractor shall fully and timely provide all deliverables described in this Exhibit A Scope of Work and in the Contractor's Offer, in strict accordance with the terms, covenants, and conditions of the Contract and all applicable Federal, State, and local laws, rules, and regulations.

SECTION 3. COMPENSATION:

- 3.1 **Contract Amount.** The Contractor will be paid an amount not to exceed \$3,391,950 for the initial three (3) year term, with three (3) additional twelve (12) month extension options in an amount not to exceed \$1,130,650 for each extension option, for a total contract amount not to exceed \$6,783,900 combined, for all fees and expenses upon the successful completion of the Scope of Work, as described herein.
 - 3.1.1 In full consideration of the Contractor's satisfactory performance of the services under this Contract, the City shall pay the Contractor for services as outlined in Exhibit A.
- 3.2 **Invoices.**

- 3.2.1 The Contractor shall submit separate invoices in duplicate on each purchase order or delivery order after each delivery. If partial shipments or deliveries are authorized by the City, a separate invoice must be sent for each shipment or delivery made.
- 3.2.2 **Invoices shall contain a non-duplicated invoice number, the purchase order or delivery order number and the master agreement number if applicable, the Department's Name, and the name of the point of contact for the Department.** Invoices shall be itemized and transportation charges, if any, shall be listed separately. A copy of the bill of lading and the freight waybill, when applicable, shall be attached to the invoice. Unless otherwise instructed in writing, the City may rely on the remittance address specified on the Contractor's invoice. Invoices received without all required information cannot be processed and will be returned to the Contractor. Invoices shall be mailed to the below address:

3.1.1

	City of Austin
Department	Economic Development Department
Attn:	Global Business Recruitment and Expansion Manager
Address:	301 W. 2 nd Street
City, State, Zip Code	Austin, Texas 78701

- 3.1.2 Unless otherwise expressly authorized in the Contract, the Contractor shall pass through all Subcontract and other authorized expenses at actual cost without markup.
- 3.1.3 Federal excise taxes, State taxes, or City sales taxes must not be included in the invoiced amount. The City will furnish a tax exemption certificate upon request.

3.2 **Payment**

- 3.2.1 All proper invoices received by the City will be paid within thirty (30) calendar days of the City's receipt of the deliverables or of the invoice, whichever is later.
- 3.2.2 The City may withhold or set off the entire payment or part of any payment otherwise due the Contractor to such extent as may be necessary on account of;
 - 3.2.2.1 delivery of defective or non-conforming deliverables by the Contractor;
 - 3.2.2.2 third party claims, which are not covered by the insurance which the Contractor is required to provide, are filed or reasonable evidence indicating probable filing of such claims;
 - 3.2.2.3 failure of the Contractor to pay Subcontractors, or for labor, materials or equipment, failure of the Contractor to pay Subcontractors, or for labor, materials or equipment;
 - 3.2.2.4 damage to the property of the City or the City's agents, employees or contractors, which is not covered by insurance required to be provided by the Contractor;
 - 3.2.2.5 reasonable evidence that the Contractor's obligations will not be completed within the time specified in the Contract, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay;
 - 3.2.2.6 failure of the Contractor to submit proper invoices with all required attachments and supporting documentation; or
 - 3.2.2.7 failure of the Contractor to comply with any material provision of the Contract Documents.
- 3.2.3 Notice is hereby given of Article VIII, Section 1 of the Austin City Charter which prohibits the payment of any money to any person, firm or corporation who is in arrears to the City for taxes, and of §2-8-3 of the Austin City Code concerning the right of the City to offset indebtedness owed the City.

3.3 **Non-Appropriation.** The awarding or continuation of this contract is dependent upon the availability of funding. The City's payment obligations are payable only and solely from funds Appropriated and available for this contract. The absence of Appropriated or other lawfully available funds shall render the Contract null and void to the extent funds are not Appropriated or available and any deliverables delivered but unpaid shall be returned to the Contractor. The City shall provide the Contractor written notice of the failure of the City to make an adequate Appropriation for any fiscal year to pay the amounts due under the Contract, or the reduction of any Appropriation to an amount insufficient to permit the City to pay its obligations under the Contract. In the event of non-appropriation or inadequate appropriation of funds, there will be no penalty or removal fees charged to the City.

3.4 **Final Payment and Close-Out**

3.4.1 The making and acceptance of final payment will constitute:

3.4.1.1 a waiver of all claims by the City against the Contractor, except claims (1) which have been previously asserted in writing and not yet settled, (2) arising from defective work appearing after final inspection, (3) arising from failure of the Contractor to comply with the Contract or the terms of any warranty specified herein, (4) arising from the Contractor's continuing obligations under the Contract, including but not limited to indemnity and warranty obligations, or (5) arising under the City's right to audit; and

3.4.1.2 a waiver of all claims by the Contractor against the City other than those previously asserted in writing and not yet settled.

SECTION 4. TERM AND TERMINATION

4.1 **Term of Contract.** This Contract shall be in effect for an initial term of three (3) years beginning October 1, 2015 and may be extended thereafter for up to three (3) additional twelve (12) month periods, subject to the approval of the Contractor and the City.

4.2 **Right To Assurance:** Whenever one party to the Contract in good faith has reason to question the other party's intent to perform, demand may be made to the other party for written assurance of the intent to perform. In the event that no assurance is given within the time specified after demand is made, the demanding party may treat this failure as an anticipatory repudiation of the Contract.

4.3 **Default:** The Contractor shall be in default under the Contract if the Contractor (a) fails to fully, timely and faithfully perform any of its material obligations under the Contract, (b) fails to provide adequate assurance of performance under the Right to Assurance paragraph contained herein (c) becomes insolvent or seeks relief under the bankruptcy laws of the United States.

4.4 **Termination For Cause:** In the event of a default by the Contractor, the City shall have the right to terminate the Contract for cause, by written notice effective ten (10) calendar days, unless otherwise specified, after the date of such notice, unless the Contractor, within such ten (10) day period, cures such default, or provides evidence sufficient to prove to the City's reasonable satisfaction that such default does not, in fact, exist. In addition to any other remedy available under law or in equity, the City shall be entitled to recover all actual damages, costs, losses and expenses, incurred by the City as a result of the Contractor's default, including, without limitation, cost of cover, reasonable attorneys' fees, court costs, and prejudgment and post-judgment interest at the maximum lawful rate. Additionally, in the event of a default by the Contractor, the City may remove the Contractor from the City's vendor list for three (3) years and any Offer submitted by the Contractor may be disqualified for up to three (3) years. All rights and remedies under the Contract are cumulative and are not exclusive of any other right or remedy provided by law.

4.5 **Termination Without Cause:** The City shall have the right to terminate the Contract, in whole or in part, without cause any time upon thirty (30) calendar days' prior written notice. Upon receipt of a notice of termination, the Contractor shall promptly cease all further work pursuant to the Contract, with such exceptions, if any, specified in the notice of termination. The City shall pay the Contractor, to the extent of funds Appropriated or otherwise legally available for such purposes, for all goods delivered and services performed and obligations incurred prior to the date of termination in accordance with the terms hereof.

- 4.6 **Fraud:** Fraudulent statements by the Contractor on any Offer shall be grounds for the termination of the Contract for cause by the City and may result in legal action.

SECTION 5. OTHER DELIVERABLES

- 5.1 **Insurance:** The following insurance requirement applies. (Applicable to Contracts for services that are performed at City facilities or at sites designated by the City and for supplies that are delivered to City facilities by the Contractor personnel). (Revised 6/01/98).

5.1.1 General Requirements

- 5.1.1.1 The Contractor shall at a minimum carry insurance in the types and amounts indicated herein for the duration of the Contract and during any warranty period.
- 5.1.1.2 The Contractor shall provide a Certificate of Insurance as verification of coverages required below to the City at the below address prior to contract execution and within fourteen (14) calendar days after written request from the City.
- 5.1.1.3 The Contractor must also forward a Certificate of Insurance to the City whenever a previously identified policy period has expired, or an extension option or holdover period is exercised, as verification of continuing coverage.
- 5.1.1.4 The Contractor shall not commence work until the required insurance is obtained and has been reviewed by City. Approval of insurance by the City shall not relieve or decrease the liability of the Contractor hereunder and shall not be construed to be a limitation of liability on the part of the Contractor.
- 5.1.1.5 The Contractor must submit certificates of insurance to the City for all subcontractors prior to the subcontractors commencing work on the project.
- 5.1.1.6 The Contractor's and all subcontractors' insurance coverage shall be written by companies licensed to do business in the State of Texas at the time the policies are issued and shall be written by companies with A.M. Best ratings of B+VII or better. The City will accept workers' compensation coverage written by the Texas Workers' Compensation Insurance Fund.
- 5.1.1.7 All endorsements naming the City as additional insured, waivers, and notices of cancellation endorsements as well as the Certificate of Insurance shall contain the solicitation / contract number, the Buyer's name, and the Contractor's email address, and shall be mailed to the following address:

City of Austin
Attn: Global Business Recruitment and Expansion Manager
Economic Development Department
301 W. Second St., Suite 2030
Austin, Texas 78701

The "other" insurance clause shall not apply to the City where the City is an additional insured shown on any policy. It is intended that policies required in the Contract, covering both the City and the Contractor, shall be considered primary coverage as applicable.

- 5.1.1.8 If insurance policies are not written for amounts specified in Paragraph 5.1.2, Supplemental Purchase Provisions, the Contractor shall carry Umbrella or Excess Liability Insurance for any differences in amounts specified. If Excess Liability Insurance is provided, it shall follow the form of the primary coverage.
- 5.1.1.9 The City shall be entitled, upon request, at an agreed upon location, and without expense, to review certified copies of policies and endorsements thereto and may make any reasonable requests for deletion or revision or modification of particular policy terms, conditions, limitations, or exclusions except where policy provisions are established by law or regulations binding upon either of the parties hereto or the underwriter on any such policies.
- 5.1.1.10 The City reserves the right to review the insurance requirements set forth during the effective period of the Contract and to make reasonable adjustments to insurance

coverage, limits, and exclusions when deemed necessary and prudent by the City based upon changes in statutory law, court decisions, the claims history of the industry or financial condition of the insurance company as well as the Contractor.

- 5.1.1.11 The Contractor shall not cause any insurance to be canceled nor permit any insurance to lapse during the term of the Contract or as required in the Contract.
- 5.1.1.12 The Contractor shall be responsible for premiums, deductibles and self-insured retentions, if any, stated in policies. All deductibles or self-insured retentions shall be disclosed on the Certificate of Insurance.
- 5.1.1.13 The Contractor shall endeavor to provide the City thirty (30) calendar days written notice of erosion of the aggregate limits below occurrence limits for all applicable coverages indicated within the Contract.
- 5.1.1.14 If City owned property is in the care, custody or control of the Contractor, then Contractor shall provide property coverage on an "All Risk of Physical Loss" form. The Coverage shall be provided on a replacement cost basis for the 100% value of City owned property. If property is being transported or stored off-site by the Contractor, then transit and storage coverage shall also be provided. The City shall be endorsed onto the policy as a loss payee.

5.1.2 **Specific Coverage Requirements.** The Contractor shall at a minimum carry insurance in the types and amounts indicated below for the duration of the Contract, including extension options and hold over periods, and during any warranty period. These insurance coverages are required minimums and are not intended to limit the responsibility or liability of the Contractor.

5.1.2.1 **Commercial General Liability Insurance.** The minimum bodily injury and property damage per occurrence are \$600,000 for coverages A (Bodily Injury and Property Damage) and B (Personal and Advertising Injuries). The policy shall contain the following provisions and endorsements.

- 5.1.2.1.1 Blanket contractual liability coverage for liability assumed under the Contract and all other Contracts related to the project.
- 5.1.2.1.2 Independent Contractor's Coverage.
- 5.1.2.1.3 Products/Completed Operations Liability for the duration of the warranty period.
- 5.1.2.1.4 If the project involves digging or drilling provisions must be included that provide Explosion, Collapse, and Underground Coverage (X,C,U).
- 5.1.2.1.5 Waiver of Subrogation, Endorsement CG 2404, or equivalent coverage.
- 5.1.2.1.6 Thirty (30) calendar days Notice of Cancellation, Endorsement CG 0205, or equivalent coverage.
- 5.1.2.1.7 The City of Austin listed as an additional insured, Endorsement CG 2010, or equivalent coverage.

5.1.2.2 **Business Automobile Liability Insurance.** The Contractor shall provide coverage for all owned, non-owned and hired vehicles with a minimum combined single limit of \$600,000 per occurrence for bodily injury and property damage. Alternate acceptable limits are \$250,000 bodily injury per person, \$500,000 bodily injury per occurrence and at least \$100,000 property damage liability per accident. The policy shall contain the following endorsements:

- 5.1.2.2.1 Waiver of Subrogation, Endorsement TE 2046A, or equivalent coverage.
- 5.1.2.2.2 Thirty (30) calendar days Notice of Cancellation, Endorsement TE 0202A, or equivalent coverage.
- 5.1.2.2.3 The City of Austin listed as an additional insured, Endorsement TE 9901B, or equivalent coverage.

5.1.2.3 **Worker's Compensation and Employers' Liability Insurance.** Coverage shall be consistent with statutory benefits outlined in the Texas Worker's Compensation Act (Section 401). The minimum policy limits for Employer's Liability are \$100,000 bodily injury each accident, \$500,000 bodily injury by disease policy limit and \$100,000 bodily

injury by disease each employee. The policy shall contain the following provisions and endorsements:

- 5.1.2.3.1 The Contractor's policy shall apply to the State of Texas.
- 5.1.2.3.2 Waiver of Subrogation, Form WC 420304, or equivalent coverage.
- 5.1.2.3.3 Thirty (30) calendar days Notice of Cancellation, Form WC 420601, or equivalent coverage.

5.2.1.4 **Endorsements**. The specific insurance coverage endorsements specified above, or their equivalents must be provided. In the event that endorsements, which are the equivalent of the required coverage, are proposed to be substituted for the required coverage, copies of the equivalent endorsements must be provided for the City's review and approval.

5.2.1.5 **Certificate**: The following statement must be shown on the Certificate of Insurance. The City of Austin is an Additional Insured on the general liability and the auto liability policies. A Waiver of Subrogation is issued in favor of the City of Austin for general liability, auto liability and workers compensation policies.

5.3 **Equal Opportunity**

5.3.1 **Equal Employment Opportunity**: No Contractor or Contractor's agent, shall engage in any discriminatory employment practice as defined in chapter 5-4 of the City Code. No Bid submitted to the City shall be considered, nor any Purchase Order issued, or any Contract awarded by the City unless the Contractor has executed and filed with the City Purchasing Office a current Non-Discrimination Certification. The Contractor shall sign and return the Non-Discrimination Certification attached hereto as Exhibit B.

5.3.2 **Americans with Disabilities Act (ADA) Compliance**: No Bidder, or Bidder's agent shall engage in any discriminatory employment practice against individuals with disabilities as defined in the ADA.

5.4 **Acceptance of Incomplete or Non-Conforming Deliverables**: If, instead of requiring immediate correction or removal and replacement of defective or non-conforming deliverables, the City prefers to accept it, the City may do so. The Contractor shall pay all claims, costs, losses and damages attributable to the City's evaluation of and determination to accept such defective or non-conforming deliverables. If any such acceptance occurs prior to final payment, the City may deduct such amounts as are necessary to compensate the City for the diminished value of the defective or non-conforming deliverables. If the acceptance occurs after final payment, such amount will be refunded to the City by the Contractor.

5.5 **Delays**:

5.5.1 The City may delay scheduled delivery or other due dates by written notice to the Contractor if the City deems it is in its best interest. If such delay causes an increase in the cost of the work under the Contract, the City and the Contractor shall negotiate an equitable adjustment for costs incurred by the Contractor in the Contract price and execute an amendment to the Contract. The Contractor must assert its right to an adjustment within thirty (30) calendar days from the date of receipt of the notice of delay. Failure to agree on any adjusted price shall be handled under the Dispute Resolution process specified herein. However, nothing in this provision shall excuse the Contractor from delaying the delivery as notified.

5.5.2 Neither party shall be liable for any default or delay in the performance of its obligations under this Contract if, while and to the extent such default or delay is caused by acts of God, fire, riots, civil commotion, labor disruptions, sabotage, sovereign conduct, or any other cause beyond the reasonable control of such Party. In the event of default or delay in contract performance due to any of the foregoing causes, then the time for completion of the services will be extended; provided, however, in such an event, a conference will be held within three (3) business days to establish a mutually agreeable period of time reasonably necessary to overcome the effect of such failure to perform.

- 5.6 **Rights to Proposal and Contractual Material:** All material submitted by the Contractor to the City shall become property of the City upon receipt. Any portions of such material claimed by the Contractor to be proprietary and confidential must be clearly marked as such. Determination of the public nature of the material is subject to the Texas Public Information Act, Chapter 552, Texas Government Code.
- 5.7 **Publications:** All published material and written reports submitted under the Contract must be originally developed material unless otherwise specifically provided in the Contract. When material not originally developed is included in a report in any form, the source shall be identified.

SECTION 6. WARRANTIES

6.1 **Warranty - Price**

- 6.1.1 The Contractor warrants the prices quoted in the Offer are no higher than the Contractor's current prices on orders by others for like deliverables under similar terms of purchase.
- 6.1.2 The Contractor certifies that the prices in the Offer have been arrived at independently without consultation, communication, or agreement for the purpose of restricting competition, as to any matter relating to such fees with any other firm or with any competitor.
- 6.1.3 In addition to any other remedy available, the City may deduct from any amounts owed to the Contractor, or otherwise recover, any amounts paid for items in excess of the Contractor's current prices on orders by others for like deliverables under similar terms of purchase.

- 6.2 **Warranty – Title:** The Contractor warrants that it has good and indefeasible title to all deliverables furnished under the Contract, and that the deliverables are free and clear of all liens, claims, security interests and encumbrances. The Contractor shall indemnify and hold the City harmless from and against all adverse title claims to the deliverables.

- 6.3 **Warranty – Services:** The Contractor warrants and represents that all services to be provided the City under the Contract will be fully and timely performed in a good and workmanlike manner in accordance with generally accepted industry standards and practices, the terms, conditions, and covenants of the Contract, and all applicable Federal, State and local laws, rules or regulations.

- 6.3.1 The Contractor may not limit, exclude or disclaim the foregoing warranty or any warranty implied by law, and any attempt to do so shall be without force or effect.
- 6.3.2 Unless otherwise specified in the Contract, the warranty period shall be at least one year from acceptance of the services. If during the warranty period, one or more of the above warranties are breached, the Contractor shall promptly upon receipt of demand perform the services again in accordance with above standard at no additional cost to the City. All costs incidental to such additional performance shall be borne by the Contractor. The City shall endeavor to give the Contractor written notice of the breach of warranty within thirty (30) calendar days of discovery of the breach warranty, but failure to give timely notice shall not impair the City's rights under this section.
- 6.3.3 If the Contractor is unable or unwilling to perform its services in accordance with the above standard as required by the City, then in addition to any other available remedy, the City may reduce the amount of services it may be required to purchase under the Contract from the Contractor, and purchase conforming services from other sources. In such event, the Contractor shall pay to the City upon demand the increased cost, if any, incurred by the City to procure such services from another source.

- 6.4 **No Warranty By City Against Infringements:** The Contractor represents and warrants to the City that: (i) the Contractor shall provide the City good and indefeasible title to the deliverables and (ii) the deliverables supplied by the Contractor in accordance with the specifications in the Contract will not infringe, directly or contributorily, any patent, trademark, copyright, trade secret, or any other intellectual property right of any kind of any third party; that no claims have been made by any person or entity with respect to the ownership or operation of the deliverables and the Contractor does not know of any valid basis for any such claims. The Contractor shall, at its sole expense, defend, indemnify, and hold the City harmless from and against all liability, damages, and costs (including court costs and reasonable fees of attorneys and other professionals) arising out of or resulting from: (i) any claim that the City's exercise anywhere in

the world of the rights associated with the City's ownership, and if applicable, license rights, and its use of the deliverables infringes the intellectual property rights of any third party; or (ii) the Contractor's breach of any of Contractor's representations or warranties stated in this Contract. In the event of any such claim, the City shall have the right to monitor such claim or at its option engage its own separate counsel to act as co-counsel on the City's behalf. Further, Contractor agrees that the City's specifications regarding the deliverables shall in no way diminish Contractor's warranties or obligations under this paragraph and the City makes no warranty that the production, development, or delivery of such deliverables will not impact such warranties of Contractor.

SECTION 7. MISCELLANEOUS

7.1 **Place and Condition of Work:** When required by this agreement, the City shall provide the Contractor access to the sites where the Contractor is to perform the services as required in order for the Contractor to perform the services in a timely and efficient manner. The Contractor acknowledges that it has satisfied itself as to the nature of the City's service requirements and specifications, the location and essential characteristics of the work sites, the quality and quantity of materials, equipment, labor and facilities necessary to perform the services, and any other condition or state of fact which could in any way affect performance of the Contractor's obligations under the contract. The Contractor hereby releases and holds the City harmless from and against any liability or claim for damages of any kind or nature if the actual site or service conditions differ from expected conditions.

7.2 **Workforce**

7.2.1 The Contractor shall employ only orderly and competent workers, skilled in the performance of the services which they will perform under the Contract.

7.2.2 The Contractor, its employees, subcontractors, and subcontractor's employees may not while engaged in participating or responding to a solicitation or while in the course and scope of delivering goods or services under a City of Austin contract or on the City's property:

7.2.2.1 use or possess a firearm, including a handgun that is licensed under state law, except as required by the terms of the contract or allowed by law.

7.2.2.2 use or possess alcoholic or other intoxicating beverages, illegal drugs or controlled substances, nor may such workers be intoxicated, or under the influence of alcohol or drugs, on the job.

7.2.3 If the City or the City's representative notifies the Contractor that any worker is incompetent, disorderly or disobedient, has knowingly or repeatedly violated safety regulations, has possessed any firearms, or has possessed or was under the influence of alcohol or drugs on the job, the Contractor shall immediately remove such worker from Contract services, and may not employ such worker again on Contract services without the City's prior written consent.

7.3 **Compliance with Health, Safety, and Environmental Regulations:** The Contractor, its Subcontractors, and their respective employees, shall comply fully with all applicable federal, state, and local health, safety, and environmental laws, ordinances, rules and regulations in the performance of the services, including but not limited to those promulgated by the City and by the Occupational Safety and Health Administration (OSHA). In case of conflict, the most stringent safety requirement shall govern. The Contractor shall indemnify and hold the City harmless from and against all claims, demands, suits, actions, judgments, fines, penalties and liability of every kind arising from the breach of the Contractor's obligations under this paragraph.

7.4 **Significant Event:** The Contractor shall immediately notify the Contract Manager of any current or prospective "significant event" on an ongoing basis. All notifications shall be submitted in writing to Contract Manager. As used in this provision, a "significant event" is any occurrence or anticipated occurrence which might reasonably be expected to have a material effect upon the Contractor's ability to meet its contractual obligations. Significant events may include but not be limited to the following:

7.4.1 disposal of major assets;

- 7.4.2 any major computer software conversion, enhancement or modification to the operating systems, security systems, and application software, used in the performance of this contract;
- 7.4.3 any significant termination or addition of provider contracts;
- 7.4.4 the Contractor's insolvency or the imposition of, or notice of the intent to impose, a receivership, conservatorship or special regulatory monitoring, or any bankruptcy proceedings, voluntary or involuntary, or reorganization proceedings;
- 7.4.5 strikes, slow-downs or substantial impairment of the Contractor's facilities or of other facilities used by the Contractor in the performance of this contract;
- 7.4.6 reorganization, reduction and/or relocation in key personnel such as, but not limited to, customer service representatives or claims adjusters;
- 7.4.7 known or anticipated sale, merger, or acquisition;
- 7.4.8 known, planned or anticipated stock sales;
- 7.4.9 any litigation filed by a member against the Contractor; or
- 7.4.10 significant change in market share or product focus.

7.5 Right To Audit

- 7.5.1 The Contractor agrees that the representatives of the Office of the City Auditor or other authorized representatives of the City shall have access to, and the right to audit, examine, or reproduce, any and all records of the Contractor related to the performance under this Contract. The Contractor shall retain all such records for a period of three (3) years after final payment on this Contract or until all audit and litigation matters that the City has brought to the attention of the Contractor are resolved, whichever is longer. The Contractor agrees to refund to the City any overpayments disclosed by any such audit.
- 7.5.2 The Contractor shall include this provision in all subcontractor agreements entered into in connection with this Contract.

7.6 Subcontractors

- 7.6.1 Work performed for the Contractor by a Subcontractor shall be pursuant to a written contract between the Contractor and Subcontractor. The terms of the subcontract may not conflict with the terms of the Contract, and shall contain provisions that:
 - 7.6.1.1 require that all deliverables to be provided by the Subcontractor be provided in strict accordance with the provisions, specifications and terms of the Contract.
 - 7.6.1.2 prohibit the Subcontractor from further subcontracting any portion of the Contract without the prior written consent of the City and the Contractor. The City may require, as a condition to such further subcontracting, that the Subcontractor post a payment bond in form, substance and amount acceptable to the City;
 - 7.6.1.3 require Subcontractors to submit all invoices and applications for payments, including any claims for additional payments, damages or otherwise, to the Contractor in sufficient time to enable the Contractor to include same with its invoice or application for payment to the City in accordance with the terms of the Contract;
 - 7.6.1.4 require that all Subcontractors obtain and maintain, throughout the term of their contract, insurance in the type and amounts specified for the Contractor, with the City being a named insured as its interest shall appear; and
 - 7.6.1.5 require that the Subcontractor indemnify and hold the City harmless to the same extent as the Contractor is required to indemnify the City.
- 7.6.2 The Contractor shall be fully responsible to the City for all acts and omissions of the Subcontractors just as the Contractor is responsible for the Contractor's own acts and omissions. Nothing in the Contract shall create for the benefit of any such Subcontractor any contractual relationship between the City and any such Subcontractor, nor shall it create any obligation on the part of the City to pay or to see to the payment of any moneys due any such Subcontractor except as may otherwise be required by law.
- 7.6.3 The Contractor shall pay each Subcontractor its appropriate share of payments made to the Contractor not later than ten days after receipt of payment from the City.

7.7 **Stop Work Notice:** The City may issue an immediate Stop Work Notice in the event the Contractor is observed performing in a manner that is in violation of Federal, State, or local guidelines, or in a manner that is determined by the City to be unsafe to either life or property. Upon notification, the Contractor will cease all work until notified by the City that the violation or unsafe condition has been corrected. The Contractor shall be liable for all costs incurred by the City as a result of the issuance of such Stop Work Notice.

7.8 **Indemnity:**

7.8.1 Definitions:

7.8.1.1 "Indemnified Claims" shall include any and all claims, demands, suits, causes of action, judgments and liability of every character, type or description, including all costs and expenses of litigation, mediation or other alternate dispute resolution mechanism, including attorney and other professional fees for:

7.8.1.1.1 damage to or loss of the property of any person (including, but not limited to the City, the Contractor, their respective agents, officers, employees and subcontractors; the officers, agents, and employees of such subcontractors; and third parties); and/or;

7.8.1.1.2 death, bodily injury, illness, disease, worker's compensation, loss of services, or loss of income or wages to any person (including but not limited to the agents, officers and employees of the City, the Contractor, the Contractor's subcontractors, and third parties),

7.8.1.2 "Fault" shall include the sale of defective or non-conforming deliverables, negligence, willful misconduct, or a breach of any legally imposed strict liability standard.

7.8.2 **THE CONTRACTOR SHALL DEFEND (AT THE OPTION OF THE CITY), INDEMNIFY, AND HOLD THE CITY, ITS SUCCESSORS, ASSIGNS, OFFICERS, EMPLOYEES AND ELECTED OFFICIALS HARMLESS FROM AND AGAINST ALL INDEMNIFIED CLAIMS ARISING OUT OF, INCIDENT TO, CONCERNING OR RESULTING FROM THE FAULT OF THE CONTRACTOR, OR THE CONTRACTOR'S AGENTS, EMPLOYEES OR SUBCONTRACTORS, IN THE PERFORMANCE OF THE CONTRACTOR'S OBLIGATIONS UNDER THE CONTRACT. NOTHING HEREIN SHALL BE DEEMED TO LIMIT THE RIGHTS OF THE CITY OR THE CONTRACTOR (INCLUDING, BUT NOT LIMITED TO, THE RIGHT TO SEEK CONTRIBUTION) AGAINST ANY THIRD PARTY WHO MAY BE LIABLE FOR AN INDEMNIFIED CLAIM.**

7.9 **Claims:** If any claim, demand, suit, or other action is asserted against the Contractor which arises under or concerns the Contract, or which could have a material adverse affect on the Contractor's ability to perform thereunder, the Contractor shall give written notice thereof to the City within ten (10) calendar days after receipt of notice by the Contractor. Such notice to the City shall state the date of notification of any such claim, demand, suit, or other action; the names and addresses of the claimant(s); the basis thereof; and the name of each person against whom such claim is being asserted. Such notice shall be delivered personally or by mail and shall be sent to the City and to the Austin City Attorney. Personal delivery to the City Attorney shall be to City Hall, 301 West 2nd Street, 4th Floor, Austin, Texas 78701, and mail delivery shall be to P.O. Box 1088, Austin, Texas 78767.

7.10 **Notices:** Unless otherwise specified, all notices, requests, or other communications required or appropriate to be given under the Contract shall be in writing and shall be deemed delivered three (3) business days after postmarked if sent by U.S. Postal Service Certified or Registered Mail, Return Receipt Requested. Notices delivered by other means shall be deemed delivered upon receipt by the addressee. Routine communications may be made by first class mail, fax, or other commercially accepted means. Notices to the City and the Contractor shall be addressed as follows:

To the City:

City of Austin, Economic Development
Department

ATTN: Global Business Recruitment and

To the Contractor:

Capital Investing in Development and
Employment of Adults, Inc.

ATTN: Steve Jackobs, Executive

Expansion Manager

301 W. Second Street, Suite 2030
Austin, TX 78701

835 N Pleasant Valley Rd
Austin, Texas 78701

- 7.11 **Confidentiality**: In order to provide the deliverables to the City, Contractor may require access to certain of the City's and/or its licensors' confidential information (including inventions, employee information, trade secrets, confidential know-how, confidential business information, and other information which the City or its licensors consider confidential) (collectively, "Confidential Information"). Contractor acknowledges and agrees that the Confidential Information is the valuable property of the City and/or its licensors and any unauthorized use, disclosure, dissemination, or other release of the Confidential Information will substantially injure the City and/or its licensors. The Contractor (including its employees, subcontractors, agents, or representatives) agrees that it will maintain the Confidential Information in strict confidence and shall not disclose, disseminate, copy, divulge, recreate, or otherwise use the Confidential Information without the prior written consent of the City or in a manner not expressly permitted under this Contract, unless the Confidential Information is required to be disclosed by law or an order of any court or other governmental authority with proper jurisdiction, provided the Contractor promptly notifies the City before disclosing such information so as to permit the City reasonable time to seek an appropriate protective order. The Contractor agrees to use protective measures no less stringent than the Contractor uses within its own business to protect its own most valuable information, which protective measures shall under all circumstances be at least reasonable measures to ensure the continued confidentiality of the Confidential Information.
- 7.12 **Advertising**: The Contractor shall not advertise or publish, without the City's prior consent, the fact that the City has entered into the Contract, except to the extent required by law.
- 7.13 **No Contingent Fees**: The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the Contract upon any agreement or understanding for commission, percentage, brokerage, or contingent fee, excepting bona fide employees of bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the City shall have the right, in addition to any other remedy available, to cancel the Contract without liability and to deduct from any amounts owed to the Contractor, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.
- 7.14 **Gratuities**: The City may, by written notice to the Contractor, cancel the Contract without liability if it is determined by the City that gratuities were offered or given by the Contractor or any agent or representative of the Contractor to any officer or employee of the City of Austin with a view toward securing the Contract or securing favorable treatment with respect to the awarding or amending or the making of any determinations with respect to the performing of such contract. In the event the Contract is canceled by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover or withhold the amount of the cost incurred by the Contractor in providing such gratuities.
- 7.15 **Prohibition Against Personal Interest in Contracts**: No officer, employee, independent consultant, or elected official of the City who is involved in the development, evaluation, or decision-making process of the performance of any solicitation shall have a financial interest, direct or indirect, in the Contract resulting from that solicitation. Any willful violation of this section shall constitute impropriety in office, and any officer or employee guilty thereof shall be subject to disciplinary action up to and including dismissal. Any violation of this provision, with the knowledge, expressed or implied, of the Contractor shall render the Contract voidable by the City.
- 7.16 **Independent Contractor**: The Contract shall not be construed as creating an employer/employee relationship, a partnership, or a joint venture. The Contractor's services shall be those of an independent Contractor. The Contractor agrees and understands that the Contract does not grant any rights or privileges established for employees of the City.
- 7.17 **Assignment-Delegation**: The Contract shall be binding upon and inure to the benefit of the City and the Contractor and their respective successors and assigns, provided however, that no right or interest in the

Contract shall be assigned and no obligation shall be delegated by the Contractor without the prior written consent of the City. Any attempted assignment or delegation by the Contractor shall be void unless made in conformity with this paragraph. The Contract is not intended to confer rights or benefits on any person, firm or entity not a party hereto; it being the intention of the parties that there be no third party beneficiaries to the Contract.

7.18 **Waiver:** No claim or right arising out of a breach of the Contract can be discharged in whole or in part by a waiver or renunciation of the claim or right unless the waiver or renunciation is supported by consideration and is in writing signed by the aggrieved party. No waiver by either the Contractor or the City of any one or more events of default by the other party shall operate as, or be construed to be, a permanent waiver of any rights or obligations under the Contract, or an express or implied acceptance of any other existing or future default or defaults, whether of a similar or different character.

7.19 **Modifications:** The Contract can be modified or amended only by a writing signed by both parties. No pre-printed or similar terms on any the Contractor invoice, order or other document shall have any force or effect to change the terms, covenants, and conditions of the Contract. Notwithstanding the prior sentence, the City may unilaterally direct an increase or reduction in Scope of Work as a result of changes in funding availability for the project. If any amendments result in increased or decreased costs, the City and the Contractor agree to negotiate an equitable adjustment in the amount of compensation for this Agreement.

7.20 **Interpretation:** The Contract is intended by the parties as a final, complete and exclusive statement of the terms of their agreement. No course of prior dealing between the parties or course of performance or usage of the trade shall be relevant to supplement or explain any term used in the Contract. Although the Contract may have been substantially drafted by one party, it is the intent of the parties that all provisions be construed in a manner to be fair to both parties, reading no provisions more strictly against one party or the other. Whenever a term defined by the Uniform Commercial Code, as enacted by the State of Texas, is used in the Contract, the UCC definition shall control, unless otherwise defined in the Contract.

7.21 **Dispute Resolution**

7.21.1 If a dispute arises out of or relates to the Contract, or the breach thereof, the parties agree to negotiate prior to prosecuting a suit for damages. However, this section does not prohibit the filing of a lawsuit to toll the running of a statute of limitations or to seek injunctive relief. Either party may make a written request for a meeting between representatives of each party within fourteen (14) calendar days after receipt of the request or such later period as agreed by the parties. Each party shall include, at a minimum, one (1) senior level individual with decision-making authority regarding the dispute. The purpose of this and any subsequent meeting is to attempt in good faith to negotiate a resolution of the dispute. If, within thirty (30) calendar days after such meeting, the parties have not succeeded in negotiating a resolution of the dispute, they will proceed directly to mediation as described below. Negotiation may be waived by a written agreement signed by both parties, in which event the parties may proceed directly to mediation as described below.

7.21.2 If the efforts to resolve the dispute through negotiation fail, or the parties waive the negotiation process, the parties may select, within thirty (30) calendar days, a mediator trained in mediation skills to assist with resolution of the dispute. Should they choose this option, the City and the Contractor agree to act in good faith in the selection of the mediator and to give consideration to qualified individuals nominated to act as mediator. Nothing in the Contract prevents the parties from relying on the skills of a person who is trained in the subject matter of the dispute or a contract interpretation expert. If the parties fail to agree on a mediator within thirty (30) calendar days of initiation of the mediation process, the mediator shall be selected by the Travis County Dispute Resolution Center (DRC). The parties agree to participate in mediation in good faith for up to thirty (30) calendar days from the date of the first mediation session. The City and the Contractor will share the costs of mediation equally.

7.22 **Jurisdiction And Venue:** The Contract is made under and shall be governed by the laws of the State of Texas, including, when applicable, the Uniform Commercial Code as adopted in Texas, V.T.C.A., Bus. & Comm. Code, Chapter 1, excluding any rule or principle that would refer to and apply the substantive law of another state or jurisdiction. All issues arising from this Contract shall be resolved in the courts of

Travis County, Texas and the parties agree to submit to the exclusive personal jurisdiction of such courts. The foregoing, however, shall not be construed or interpreted to limit or restrict the right or ability of the City to seek and secure injunctive relief from any competent authority as contemplated herein.

7.23 **Invalidity:** The invalidity, illegality, or unenforceability of any provision of the Contract shall in no way affect the validity or enforceability of any other portion or provision of the Contract. Any void provision shall be deemed severed from the Contract and the balance of the Contract shall be construed and enforced as if the Contract did not contain the particular portion or provision held to be void. The parties further agree to reform the Contract to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision. The provisions of this section shall not prevent this entire Contract from being void should a provision which is the essence of the Contract be determined to be void.

7.24 **Holidays:** The following holidays are observed by the City:

<u>Holiday</u>	<u>Date Observed</u>
New Year's Day	January 1
Martin Luther King, Jr.'s Birthday	Third Monday in January
President's Day	Third Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Veteran's Day	November 11
Thanksgiving Day	Fourth Thursday in November
Friday after Thanksgiving	Friday after Thanksgiving
Christmas Eve	December 24
Christmas Day	December 25

If a Legal Holiday falls on Saturday, it will be observed on the preceding Friday. If a Legal Holiday falls on Sunday, it will be observed on the following Monday.

7.25 **Survivability of Obligations:** All provisions of the Contract that impose continuing obligations on the parties, including but not limited to the warranty, indemnity, and confidentiality obligations of the parties, shall survive the expiration or termination of the Contract.

7.26 **Non-Suspension or Debarment Certification:** The City of Austin is prohibited from contracting with or making prime or sub-awards to parties that are suspended or debarred or whose principals are suspended or debarred from Federal, State, or City of Austin Contracts. By accepting a Contract with the City, the Vendor certifies that its firm and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the General Services Administration List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.

7.27 **Incorporation of Documents:** Section 0100, Standard Purchase Definitions, is hereby incorporated into this Contract by reference, with the same force and effect as if they were incorporated in full text. The full text versions of this Section are available, on the Internet at the following online address: <http://www.austintexas.gov/department/purchasing>.

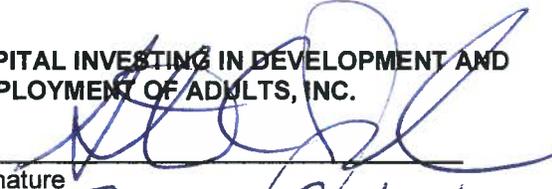
7.28 **Order of Precedence:** The Contract includes, without limitation, the Offer submitted, the Contract award, the Standard Purchase Terms and Conditions, Supplemental Terms and Conditions if any, Specifications, and amendments thereto. Any inconsistency or conflict in the Contract documents shall be resolved by giving precedence in the following order.

7.28.1 any exceptions to the Offer accepted in writing by the City;

- 7.28.2 the Supplemental Purchase Terms and Conditions;
- 7.28.3 the Standard Purchase Terms and Conditions;
- 7.28.4 the Offer, exhibits, and attachments; within the Offer.

In witness whereof, the parties have caused duly authorized representatives to execute this Agreement on the dates set forth below.

CAPITAL INVESTING IN DEVELOPMENT AND EMPLOYMENT OF ADULTS, INC.

By: 
Signature

Name: Steven E Vackob
Printed Name

Title: Executive Director

Date: 9/24/15

CITY OF AUSTIN

By: 
Signature

Name: Sue Edwards

Assistant City Manager

Date: 10/1/2015

APPROVED AS TO FORM:



C. Crosby
Assistant City Attorney
City of Austin

List of Exhibits

EXHIBITS

Exhibit A Scope of Work

EXHIBIT A: SCOPE OF WORK

Introduction

Capital IDEA's mission is to lift working adults out of poverty and into living wage careers through education. Capital IDEA does this by offering a range of direct and support services designed specifically to help low-income, non-traditional adult students navigate the complex community college system, succeed academically, and attain high-paying jobs.

Connection to the Self-Sufficiency Goals and Life Continuum Categories

The primary Self-Sufficiency Goal addressed is "Transition Out of Poverty," and the primary Life Continuum Goal is "Adults and Families." Additional Self-Sufficiency Goals of "Safety Net Infrastructure" and "Universal Support Services".

As Capital IDEA's mission is to lift working adults out of poverty and into living wage careers through education, Capital IDEA provides the participants the tools they need to connect to jobs with good wages, benefits, and career path opportunities. In order to achieve these goals, the program provides access to developmental education in addition to fully funding education towards certifications and degrees required for such careers.

The strategy reaches individuals across two Life Continuum categories: primarily Adults, but also Youth ages 18 to 21. Capital IDEA conducts outreach to organizations serving young adults, including LifeWorks, American YouthWorks, and a number of high schools in low-income areas.

Program Overview and Strategy

Outreach – Capital IDEA focuses its outreach efforts on those communities in Austin and the surrounding area with the highest levels of poverty and unemployment. Capital IDEA is able to target outreach in these locations thanks to the wide reach of partner agencies, including Austin Interfaith – the founding organization – and its member network of congregations, schools, and other community groups. Other organizations critical to outreach efforts include a broad range of nonprofit partners, City of Austin agencies and offices, workforce development board offices, and other state and local government agencies. Together these organizations connect low-income Central Texans to Capital IDEA through a variety of methods, such as flyer distribution, social media, and referrals. All interested individuals are encouraged to attend a Capital IDEA orientation – the first step in the application process. Approximately 30 orientation sessions are held each year at locations throughout the area such as churches, community centers, schools, and workforce centers. Over 1,000 area residents attend Capital IDEA orientations each year. During the one-hour orientation, attendees are given information on the program, including what services provided, basic qualifications, sponsored careers, the commitment required, and information on the next step in the process. Capital IDEA staff members also answer questions about the program.

Assessment – After attending an orientation, candidates wishing to enroll in Capital IDEA register for assessments, including the Test of Adult Basic Education (TABE) and the System for Assessment and Group Evaluation (SAGE). These assessments are administered by Capital IDEA staff at no cost to applicants. The TABE is designed to assess reading and math skills and determine college readiness. Those who meet the standard fifth-grade reading and math minimums, yet score below college-entry levels are enrolled in Capital IDEA's College Prep Academy. The purpose of the SAGE test is to measure interests, strengths, aptitudes, and cognitive abilities in order to determine a candidate's fit and commitment for a particular career. Then, during an intensive two-hour career counseling session, Capital IDEA Career Guidance Specialists meet one-on-one with applicants to review the test results and application documentation. They also work with applicants to prepare Individual Service Strategies that outline the training and support services needed to meet their educational and career goals. Finally, applicants are interviewed by one of Capital IDEA's Directors who make the final decision on acceptance. At this stage, applicants are also asked to make a commitment to finish each

step of their education and to demonstrate a willingness to volunteer to help others once they have completed their training and entered employment.

Job Training – Almost all Capital IDEA participants enroll in certificate or Associate degree-level training at a community college towards a career that has been shown to be high-paying and in-demand in the Central Texas area. The vast majority of students (95%) enroll at Austin Community College, with most of the rest taking classes at Temple College. Currently, Capital IDEA sponsors 23 career paths from healthcare, high-tech, and professional trade industries. Over two-thirds of Capital IDEA participants choose to enter healthcare fields, including Registered Nursing, Licensed Vocational Nursing, Dental Hygiene, Surgical Technician, Medical Coding, Occupational Therapy, Biotechnology, and more. Examples of non-healthcare fields include Network Administration, Automotive Technician, Power Utility, Land Surveying, Electronics Technician, Computer Support, and Heating, Air Conditioning & Refrigeration.

In addition to paying for tuition, fees, and books for all sponsored careers, Capital IDEA also fully funds other items necessary to job training, such as vaccinations, uniforms, and equipment.

Case Management – Capital IDEA’s most critical activity for overall client success is the individualized case management Capital IDEA participants receive. Once enrolled in the program, students are assigned a Career Navigator who will be their advocate during their academic journey. Career Navigators are full-time Capital IDEA staff whose role is to help guide participants through the complex higher education system. This is especially important because the majority of Capital IDEA’s participants are non-traditional, first-generation college students.

Prior to each semester, Career Navigators advise participants on which classes to take in order to achieve their goals as laid out in the Individual Service Strategy. In addition, they provide practical, experienced advice on balancing college with the varying responsibilities of family, work, and personal lives. All participants are encouraged to remain in regular contact with Career Navigators. This regular contact often occurs during weekly group meetings called Career Sponsorship Support Sessions (CSSS or “CS3”). Each of these peer support meetings revolves around a different topic each week that is beneficial to adult students, including study skills, financial education, and interpersonal relationship skills. For services not offered by Capital IDEA, Career Navigators provide referrals to other community nonprofit partners, including for financial counseling, English as a Second Language, family counseling and medical services.

Career Placement Services – As participants near program completion, participants meet with the Employer Coordinator to develop a personalized employment plan and begin the job search. Additional placement services include resume-writing assistance and job interviewing skills. Capital IDEA boasts a high 97% placement rate. Once placed, the Employer Coordinator also obtains placement verification and tracks earnings records. Capital IDEA’s Employer Coordinator also works directly with hiring managers throughout Central Texas in order to strategize ways that the program can meet the needs of area employers and provide graduates with access to high-paying, in-demand jobs.

Addressing Barriers - The primary barriers the target population faces to accessing the necessary workforce training without Capital IDEA is the high cost of post-high school education, childcare, and transportation. This is why, in addition to paying for tuition, fees, and books, Capital IDEA’s program offers a range of wrap-around support services designed to help low-income adult students stay in school and focused on their long-term goals. Because the majority of participants are parents, balancing the demands of a college course load with home life is crucial. Depending on eligibility requirements, Capital IDEA either pays directly for childcare and/or refers participants to the Texas Workforce Commission’s Child Care Services (CCS). Childcare is only provided during those times participants are in class or otherwise engaged in academic-related work. Transportation issues are another barrier to adult student success. Capital IDEA provides participants with Capital Metro bus passes and, for qualifying students, gas cards are also available on a limited basis.

Service Coordination

Formal service coordination - Capital IDEA works with a number of partnering agencies to better provide the services participants need to succeed. Service coordination consists of both formal and informal partnerships across a broad range of organizations serving low-income Central Texans. One of the most vital components of the program – the College Prep Academy – is the result of a 15-year, successful formal partnership with Austin Community College. As outlined above, participants in need of developmental education enroll in the 12-week College Prep Academy. Students completing the Academy pass the college-entrance exam and move on to college-level coursework at much higher rates than non-Capital IDEA students. Another formal partnership with ACC allows program participant weekly meetings (CS3, formerly known as “VIP”) to qualify for reimbursement and Continuing Education credits. This partnership increases the success of Capital IDEA participants and helps to reduce costs. Formal partnerships are also in place with both Workforce Solutions Capital Area and Workforce Solutions Rural Capital Area allowing co-enrollment of eligible participants under the Workforce Investment Act (WIA). The workforce development boards also play a vital role in delivering childcare services to many program participants thanks to the Texas Workforce Commission’s Child Care Services. In addition, Capital IDEA regularly conducts orientations at the workforce center in Austin. A recent formal partnership was also made with LifeWorks, wherein Capital IDEA coenrolls up to 15 men who are participants in LifeWorks’ Young Fathers Program.

Informal service coordination - Capital IDEA refers applicants in need of basic English as a Second Language (ESL) or GED services to providers throughout the community who provide those services for little or no cost. Students attaining these levels are then welcome to apply to Capital IDEA. This minimizes service duplication and allows the program to focus on adult student success in long-term training.

Capital IDEA Career Navigators routinely refer participants to a wide variety of City-funded social service agencies including Caritas of Austin, Foundation Communities, Goodwill Industries, LifeWorks, SkillPoint Alliance and Texas RioGrande Legal Aid. Referrals are also made to Ascend Austin, Austin Urban League, Dress for Success, El Buen Samaritano Episcopal Mission, Literacy Coalition of Central Texas, SafePlace, the Samaritan Center for Counseling, and St. Vincent de Paul.

Capital IDEA, through its on-staff Employer Coordinator, develops informal employer partnerships to identify emerging careers that will provide a living wage, benefits, and opportunities for advancement for program participants. The Employer Coordinator is responsible for the ongoing engagement of employers with Capital IDEA as well as coordinating with ACC to successfully develop new or update existing training programs to meet employer needs. Because the majority of program participants are enrolled in healthcare training programs, Capital IDEA has long-standing and strong partnerships with the leading healthcare organizations in the area, including St. David’s HealthCare and Seton Healthcare Family. Leaders of both institutions were founding Board members and both systems continue to provide some funding to help defray Capital IDEA costs.

Connecting to public benefits & mainstream resources - Many of Capital IDEA’s students are already taking advantage of public assistance when they enroll in the program. For those that aren’t but would qualify, Career Navigators assist participants to apply for public benefits such as SNAP, WIC, CHIP, Medicaid, the Medical Assistance Program, and TANF, in order to help support living expenses while in Capital IDEA’s program. These benefits are critical to supporting the target population while they are on the road to self-sufficiency.

Additional services - Capital IDEA maintains other informal partnerships with food pantries, church social ministries, doctor’s offices, clinics, and many others. These relationships enable Capital IDEA to leverage support for the income, housing, mental health, food assistance, rent assistance, and other survival needs of participants.

Community Planning Activities

Activities specific to proposed services - Capital IDEA is active in numerous community planning activities related to the services proposed. Serving on the Executive Committee of the Healthcare Workforce Alliance of Central Texas, Capital IDEA works with this industry-led and community-sponsored group that utilizes a collaborative approach to close the gap between employer demand for a diverse, trained healthcare workforce and the workforce in need of training and preparation in order to enter healthcare occupations. Capital IDEA is also an active member of One Voice of Central Texas, a coalition of health and human service nonprofit leadership advocating on behalf of vulnerable Central Texans and supporting best practices in nonprofit management. In addition, Capital IDEA is active with the Austin/Travis County Workforce Continuum, an informal group of workforce organizations defining the populations in Travis County in need of workforce services, and the City of Austin Economic Development Department.

Other relevant activities - Other relevant local community planning activities include participation with the E3 Alliance, AARO's Workforce Potential Project, and the Greater Austin Chamber's Austin Community College Progress Report Task Force. Additionally, Capital IDEA works with the Network of Texas Organizations that focuses on statewide workforce policy.

Data Management and Program Evaluation

Capital IDEA has utilized electronic data systems since its founding. It currently maintains a robust online data manager (ODM) using software provided by Community TechKnowledge (CTK), an Austin-based company specializing in non-profit organizations and public agencies. The ODM has the capacity to track and analyze a number of demographic variables impacting student success rates. The system is also used extensively by Career Navigators for case management purposes. The academic progress of each participant is measured using grade reports, Career Navigator's case notes, and records of supportive services accessed, all of which are documented in the database. In addition, participants entering employment provide Capital IDEA with documentation such as a paystub, which allows for accurate tracking of earnings in the database. In 2013, Capital IDEA converted paper records to a web-based document management system.

Collection and analysis over time allows Capital IDEA to track and compare performance, and respond accordingly. Interventions to improve student performance have included targeted outreach to specific populations such as homeless or men, refining the format and scheduling of orientations to reach more potential applicants, and the redesign of the application process. Tracking of the performance of graduates allows Capital IDEA to determine whether to modify or enhance the training and credentials of students-in-progress, as well as to change the career options offered to new participants. Data reports exported from the ODM are regularly evaluated by staff members, including the Executive Director, Director of Operations, and Institutional Relations Officer. Overall program performance is monitored internally on a weekly basis, bimonthly by the Board of Directors, and on an ongoing basis by funders. Because the City of Austin also utilizes the same CTK system, reporting functions are also easier and more efficient.

Capital IDEA also accesses grade reports electronically from ACC to analyze student progress, both individual and aggregate. Patterns in data identify areas needing improvement. Capital IDEA and ACC staff jointly design interventions, which have included targeted tutoring, the new Health Careers Academy, and the creation of cohort classes.

Target Population

Capital IDEA's current target population is the low-income adults of Austin and Travis County who are willing to commit to long-term education, which is the same as the target population for this proposed project.

Capital IDEA attracts a diverse population that traditionally has not had access to college-level careers. Approximately 80% of Capital IDEA participants are from ethnic minority backgrounds. The average age of participants is 30, and the majority of them are the first in their family to attend college. Despite their diversity

of backgrounds and experiences, all participants share a common desire to improve the lives of themselves and their families.

Clients with criminal histories - For applicants with criminal histories, Capital IDEA has implemented a number of strategies to prepare them for appropriate careers. Criminal histories are reviewed by Career Guidance Specialists on a case by-case basis during the enrollment process. If a conviction is less than ten years old, the applicant is referred to the appropriate licensing authority or State Board to obtain clearance before proceeding with enrollment. If the offense is more than ten years old but is a serious matter they are still referred for clearance. A list of State Boards phone numbers and websites are also shared with the applicants. If the applicant with a criminal background has assessment results showing that they are compatible with a career that does not require licensing, Career Guidance Specialists may recommend pursuing that career training. Applicants with criminal histories for whom Capital IDEA currently do not sponsor any appropriate careers are referred to partner agencies for additional job training possibilities.

Client eligibility - Capital IDEA's basic eligibility for participation in the proposed project is: Living at or below 200% of Federal Poverty Income Guidelines at enrollment; Age 18 or over; Have a high school diploma or GED; Have not previously completed an Associate degree or higher; U.S. Citizen or Permanent Resident; Resident of Austin or Travis County; Ability to commit to long-term training in one of the program sponsored careers; and a commitment to giving back to the community after completion. To document income, applicants are required to provide hard-copy documentation, including tax returns, pay stubs, food stamps, TANF programs, and other benefit letters, along with documentation of family size, including birth certificates and social security cards. Capital IDEA's database calculates if a participant falls at or below 200% of the Federal Poverty Income Guidelines. In addition, for City of Austin residents, Capital IDEA utilizes the Determination of Participant Financial Need form created specifically to adhere to City eligibility guidelines. Similarly, Capital IDEA's staff determines residency by requiring at least one of the following hard-copy documentation from applicants: an official form of ID or driver's license with current address; utility bills; current lease or mortgage statement; or a tax statement.

CLAS standards - Capital IDEA commits to adopting the outlined National CLAS Standards to implement culturally and linguistically appropriate services that will ultimately advance equity, improve quality, and help eliminate service delivery disparities. Capital IDEA's Director of Operations, who manages service delivery from outreach and intake to placement, will be responsible for incorporating the CLAS standards into the Operations Manual and integrating them into everyday services.

Task and Requirements

- a) The Contractor, as an independent contractor and not as an agent of the City, shall provide all personnel, services and supplies necessary to support delivery of the program to 758 unduplicated clients in the initial 3 year term and 125 unduplicated clients in each and any additional year.
- b) The Contractor shall align and update its training disciplines according to the needs of the local industry through input received in their participation on community and industry boards or committees.
- c) The Contract shall ensure client eligibility upon program entry and thereafter shall monitor ongoing eligibility for residency and life change events resulting in significant variation as defined by the City.

Reporting and Measures

The Contractor shall deliver quarterly and annual reports to the City of Austin that highlight the progress made by Contractor in achieving the objectives set forth in this scope of work document. The report is due to the City within thirty (30) days of the end of each reporting quarter and should be submitted with all quarterly invoices.

The City will meet with the contractor annually to renew or revise requirements for reporting and measures.

The Contractor's quarterly and annual reports shall contain, but not be limited to, the following items:

Quarterly Outputs

- a) Number of unduplicated clients served.
- b) Number of clients in College Prep Academy.
- c) Number of clients in college-level coursework.
- d) Number of clients obtaining employment.

Quarterly Outcomes

- e) Percentage of participants seeking employment who obtain employment.
- f) Percentage of clients that retain employment for a period specified by the City.
- g) Percentage of clients who obtain employment at or above target wages levels as specified by the City.
- h) Percentage of participants completing College Prep Academy.
- i) Percentage of participants who remain in the program.

Quarterly Comments

- j) If any of the agreed measures do not meet quarterly goals or are not on track to meet the annual goals, the Contractor shall provide an explanation for the status of the metric and detail plans to make necessary adjustments to meet the annual goal.

Quarterly Reports

- k) Provide a list of all workforce and or community board or committee meetings attended within the reporting period.

Annual Reports and Commentary

- l) The Contractor shall provide an annual report summarizing annual program outputs and outcomes, successes and challenges. Included in the report, the Contractor shall provide summary and comment on activities to ensure continuous alignment of the program training disciplines with local industry workforce needs including, but not limited to, major discussions and recommendations of any workforce, industry or community boards and committees. The report should outline all planned or proposed changes to programming, content or service delivery. Submitted with the annual report, the Contractor shall supply a report of client demographics as defined by the City.

Release of Funds Statement

The City shall release funds within thirty (30) days of receipt of an accepted invoice and quarterly report that meet all required formatting and information.

If the Contractor's invoice, performance or reporting does not meet the required standards, it shall be paid for any approved portion, with the balance to be paid within thirty (30) days of receipt of compliant invoice, reporting and performance.

The Contractor may submit an initial payment request of up to \$226,130 (20% of full annual contract amount \$1,130,650) within thirty (30) days after the contract start date.

The Contractor shall submit all remaining invoices within (30) days of the end of the reporting quarter in an amount up to twenty-five percent (25%) of remaining annual contract amount not requested in the initial payment.

Capital IDEA 2016 Performance Measures Summary

		Annual Goal
OUTPUTS		
OP-1A	Number of clients in College Prep Academy (all funding)	
OP-1B	Number of clients in college-level coursework (all funding)	
OP-1	Number of unduplicated clients served (all funding)	758

OUTCOMES		Total Program Performance Data (All Funding)	
OC-1N	<i>Number of clients who obtain employment</i>		
OC-1D	<i>Number of clients seeking employment</i>		
OC-1	Percentage of clients seeking employment who obtain employment		90%
OC-2N	<i>Number of clients obtaining employment within 90 days of program completion</i>		
OC-1D	<i>Number of clients seeking employment</i>		
OC-3	Percentage of clients who retain employment for 6 months		95%
OC-4N	<i>Number of clients who obtain employment at \$12.00/hour or more</i>		
OC-4D	<i>Number of clients who obtained employment</i>		
OC-4	Percentage of clients who obtain employment at \$12.00/hour or more		90%
OC-5N	<i>Number of clients who complete College Prep Academy</i>		
OC-5D	<i>Number of clients who begin College Prep Academy</i>		
OC-5	Percentage of participants completing College Prep Academy		90%
OC-6N	<i>Number of clients who remained in the program</i>		
OC-6D	<i>Number of clients who begin in the program</i>		
OC-6	Percentage of participants who remain in the program		85%



Council Question and Answer

Related To	Item #11	Meeting Date	April 21, 2016
-------------------	----------	---------------------	----------------

Additional Answer Information

QUESTION: 1. What are the expected commissions (or fees) for setting up and selling these Revenue Refunding Bonds? 2. Which firm(s) are expected to receive these commissions (or fees)? COUNCIL MEMBER ZIMMERMAN'S OFFICE

ANSWER:

Bond transactions are complex and highly regulated involving a number of participants who provide professional services. Total fees estimated for this refinancing, including Underwriters' Takedown, Bond Counsel, Financial Advisor, Underwriters' Counsel, Disclosure Counsel, Printing, Paying Agent, External Auditor, POS/OS Distribution and Attorney General are approximately \$1,602,300. A breakdown of fees for professional services related to this proposed refinancing follows:

- Underwriters' Takedown, estimated at \$986,485, is based upon a negotiated price per bond. These fees will be split amount the following Underwriting firms working on this transaction: Ramirez & Co., Coastal Securities, Goldman Sachs, Morgan Stanley, Fidelity Capital Markets, and Raymond James. Underwriters' Counsel is estimated at \$98,136 based on a fee per bond and will be paid from the Underwriters' discount.
- Bond Counsel (McCall, Parkhurst, L.L.P.) and Financial Advisor (Public Financial Management, Inc.) charge fees established in current contracts that are formula-based using the final amount of refunding bonds at closing. Their estimated fees are \$275,000 and \$188,315, respectively.
- Disclosure Counsel (Fulbright & Jaworski L.L.P.) is a fixed fee of \$30,000.
- Printing costs estimated at \$2,500 will vary based upon the number of investors wishing to receive paper Official Statements.
- The External Auditor's (Deloitte & Touche LLP) consent letter is anticipated to cost \$10,064.
- The Texas Attorney General will require a \$9,500 fee.
- The POS/OS Dissemination fee is estimated at \$1,250.
- The Paying Agent's fee is estimated at \$300 per year plus a \$750 one-time setup charge.

The estimated net present value savings from the proposed refinancing are net of the cost of professional services for this proposed refinancing.



Council Question and Answer

Related To	Item #17	Meeting Date	April 21, 2016
Additional Answer Information			

QUESTION: 1) What is the City getting for its \$116,000? 2) Did this go out for bids? COUNCIL MEMBER ZIMMERMAN'S OFFICE

ANSWER:

1) In December 2014, Mayor and Council passed a resolution to create the Austin Integrated Water Resource Planning Community Task Force (IWRP Task Force) to provide support for the development of an Integrated Water Resource Plan (IWRP). The purpose of the IWRP is to identify integrated water resource options to help meet Austin's water needs for the next 100 years. The scope of the IWRP includes incorporation of climate change impacts on water supply and demand.

The recommended contract is to assist in the evaluation of possible impacts of climate change on our future water supply and demand. Two main objectives of this contract are to:

- Develop future streamflow projections (based on correlations with precipitation and temperature)
- Develop net evaporation projections (evaporation depth minus precipitation depth)

These projections are planned to be developed for river and stream flow gauges in the Austin area and other locations in the Lower Colorado River Basin under different climate scenarios. Streamflow, evaporation, precipitation, and temperature projections will be utilized in models for the IWRP to evaluate the potential impacts of climate change on water supply and demand.

- Deliverables for this project are planned to include:
- Forecasts for streamflow at locations corresponding to the 43 Primary Control points in the Colorado River Basin Water Availability Model (WAM).
- Forecasts for evaporation for areas adjacent to the Colorado River Basin.
- Daily climate projections (temperature and precipitation) for corresponding weather stations in the Austin area and Colorado River Basin.

2) As the required contract is for professional services, it is not subject to Texas municipal procurement statutes, Local Government Code Ch. 252. Although such procurements may still be competitively solicited, through the submission of a certificate of exemption, Austin Water has conducted their own analysis of the available providers of these types of services and has determined that the recommended firm best meets their needs.



Council Question and Answer

Related To	Item #17	Meeting Date	April 21, 2016
Additional Answer Information			

QUESTION: 1) What specific qualification and expertise does the ATMOS Consultant provide? 2) Provide a scope of work, task associated with scope and proposal. COUNCIL MEMBER ZIMMERMAN’S OFFICE.

ANSWER: 1) This professional services contract will be awarded based on the consultant’s qualifications, experience, knowledge, and specific expertise. Below is a summary of the consultant’s unique abilities to perform these professional services.

ATMOS Research and Consulting has recently worked on previous climate and hydrology related projects for the COA including:

- Climate Change Projections for the City of Austin, a 2014 climate change report for the City
- A Climate and Hydrology Pilot Analysis quantifying the relationship between Austin climate, weather, and streamflow using a methodology similar to what would be used in this potential contract.

ATMOS Research and Consulting has previous experience developing climate change projections for the City of Austin as well as quantifying the relationship between Austin climate, weather and streamflow. As a result, ATMOS has unique knowledge of:

- the City’s previous efforts in analyzing potential temperature and precipitation projections under a number of climatic scenarios;
- previous work in downscaling global climate models to the Austin Camp Mabry weather station;
- the City’s previous analysis of the relationship between climate, weather, and streamflow in the Lower Colorado River Basin in the aforementioned study.

Katharine Hayhoe, CEO and Senior Scientist at ATMOS Research and Consulting, possesses a Doctor of Philosophy (Ph.D.) in Atmospheric Sciences from the University of Illinois at Urbana-Champaign. Dr. Hayhoe is considered an expert in quantifying the impacts of climate change at the local and regional scale and is also well regarded by her peers in the field of atmospheric sciences.

2) See attached:

Attachment 1 - Scope of work

Attachment 2 - List of the tasks associated with the scope of work

Attachment 3 - Technical proposal provided by ATMOS

**CITY OF AUSTIN
SCOPE OF SERVICES
FOR
CLIMATE CONSULTANT**

Background

Austin Water Resource Planning Task Force (AWRPTF) was created by City Council in April 2014 to evaluate the City's water needs, to examine and make recommendations regarding future water planning, and to evaluate potential water resource management scenarios for Council consideration.

One of the key recommendations of the AWRPTF was the development of an Integrated Water Resource Plan (IWRP) and Independent Conservation Potential Assessment (ICPA). In December 2014, Mayor and Council passed a resolution to create a new task force, the Austin Integrated Water Resource Planning Community Task Force (AIWRPCTF), to provide support for the IWRP. Included in the recommendations by the AWRPTF was for the IWRP to evaluate the water supply under various climate scenarios as well as to assess the impact of climate change on water demand.

The City of Austin (COA) is seeking Climate Consultant services to provide future climatic and hydrologic projections as an essential component of the IWRP to assist COA in evaluating potential effects of climate on water supply and demand. Hydrologic projections of streamflow and evaporation will be used in water availability modeling efforts to analyze water supply under various climate scenarios. Future climatic projections will also be instrumental in assessing potential impacts of climate change on water demand.

Services and Scope of Work

ATMOS Research and Consulting (ATMOS), through a separate contract with City of Austin Office of Sustainability, conducted a pilot study to quantify the relationships between climate, weather and streamflow. This study built and utilized statistical models to correlate observed streamflow to multiple weather indicators for six sample gauges. COA requests Climate Consultant (Consultant) services to build upon this previous work in order to, 1) develop future naturalized streamflow projections under different climate scenarios for additional gauges in the Austin area and other locations in the Lower Colorado River Basin, and 2) project net evaporation (evaporation depth minus precipitation depth) under different climate scenarios at gauges in the Austin area and other locations in the Lower Colorado River Basin, and 3) analyze changes in correlations between weather indicators and hydrologic parameters (streamflow and net evaporation) at identified gauges through different historical time periods.

TASK 1: OBTAIN HISTORICAL STREAMFLOW, EVAPORATION, AND PRECIPITATION DATA FOR THE GAUGES CORRESPONDING TO THE 43 PRIMARY CONTROL POINTS

Consultant will download U.S. Geological Survey (USGS) historical daily streamflow data, where data is available, for gauges corresponding to the 43 Primary Control Points in the Colorado River Basin Water Availability Model (WAM). The 43 Primary Control Points are used in the WAM for the Colorado River Basin developed by the Texas Commission on Environmental Quality (TCEQ). The majority of these 43 Primary Control Points correspond to USGS gauges. Consultant will coordinate with the City and the City's Hydrologist/WAM Consultant on the streamflow analyses. Consultant will also download the monthly precipitation and lake evaporation quadrangle data from the Texas Water Development Board (TWDB) for quadrangles covering and adjacent to the Colorado River Basin.

TASK 2: NATURALIZE DAILY HISTORICAL STREAMFLOW FOR ALL GAUGES

Consultant will be provided monthly naturalized streamflow for each gauge from the TCEQ WAM. Using naturalized monthly streamflow data, Consultant will adjust daily streamflow data to account for human modifications. The daily gauged streamflow data will be adjusted to replicate the mean of the monthly naturalized streamflow data from the TCEQ WAM. No adjustments are required for the TWDB monthly precipitation and lake evaporation quadrangle data.

TASK 3: IDENTIFY WEATHER STATIONS AND OBTAIN OBSERVED DAILY WEATHER DATA

Consultant coordinate with the City and the City's Hydrologist/WAM Consultant to identify appropriate long-term weather stations at locations near the 43 Primary Control Points. Consultant will obtain daily historic weather data (temperature, precipitation) from these weather stations to use in historical analysis and in future downscaling.

TASK 4: CALCULATE OBSERVED CLIMATE PREDICTORS

For the weather stations identified in TASK 3, Consultant will calculate climate predictors (e.g. number of dry days, average precipitation, number of hot days, etc.) that will be used to analyze correlations between these predictors and hydrologic parameters (i.e. streamflow and evaporation).

TASK 5: QUANTIFY OBSERVED STATISTICAL CORRELATIONS BETWEEN CLIMATE PREDICTORS AND HYDROLOGIC PARAMETERS AT THE SELECTED GAUGES

Consultant will quantify and analyze statistical correlations between climate predictors and hydrologic parameters at the 43 Primary Control Points and the TWDB quadrangle data. Correlations will be quantified for the entire period of record from 1940 to 2013, and will then be analyzed on a decadal basis (e.g. 1940-1949, 1950-1959, etc.) and by grouping time periods with similar patterns of natural variability (e.g. El Niño versus La Niña years and/or other such periods as identified by the project team in discussion with

the consultant), as appropriate. Consultant will coordinate with the City and the City's Hydrologist/WAM Consultant to identify appropriate time periods to analyze correlations as well as to assess historical changes in these correlations.

In quantifying correlations, Consultant will use monthly naturalized flows, sub-monthly (i.e. weekly and daily) naturalized flows, or a combination of monthly and sub-monthly naturalized flows, as appropriate at each gauge depending on correlation strengths. Consultant will coordinate with the City's Hydrologist/WAM Consultant and the City to determine which time aggregation of data (i.e. monthly, sub monthly, or a combination of monthly and sub monthly) is applicable for each gauge.

Consultant will coordinate with the City and City's Hydrologist/WAM Consultant to identify appropriate weather stations where climate models will be downscaled.

TASK 6: PREPARE SUMMARY OF RESULTS AND DISCUSS WITH CITY

Consultant will prepare a summary of preliminary results and discuss these results, and the proposed methodology for proceeding with future tasks based on correlations quantified in TASK 5, with the City and the project team. Consultant and City staff will consider strength of correlations and compare correlation trends over historical time periods. Based on correlation strength and trends over time, Consultant and City staff will determine appropriate time periods for projecting hydrologic parameters using correlations with weather indicators.

TASK 7: DEVELOP CLIMATE PROJECTIONS FOR WEATHER STATIONS AND CALCULATE FUTURE CLIMATE PREDICTORS

Using simulations from between 9 and 15 global climate models from the Coupled Model Intercomparison Project Phase 5, Consultant will develop daily temperature and precipitation projections for appropriate weather station locations in the Colorado River Basin. These projections will be downscaled using the Asynchronous Regional Regression Model. Weather projections will use two different carbon emission scenarios: the Intergovernmental Panel on Climate Change lower Representative Concentration Pathway (RCP) 4.5 scenario and the higher RCP 8.5 scenario.

TASK 8: CALCULATE AND SUMMARIZE FUTURE CLIMATE INDICATORS

Using the daily temperature and precipitation projections developed in Task 7, Consultant will calculate a set of 10 climate indicators. Climate projections and the corresponding indicators will be summarized centered on the years 2020, 2040, and 2070. End-of-century quantitative results will also be summarized and qualitatively extrapolated to 2115 using explicit expert judgment (since the majority of climate model simulations end at 2100).

TASK 9: BUILD AND UTILIZE STATISTICAL MODEL TO PROJECT FUTURE HYDROLOGIC PARAMETERS

Using correlations quantified in TASK 5 and climate projections developed in TASK 7, Consultant will build statistical models to develop future streamflow projections from projected future climate predictors. These statistical models will be used to project future streamflow at the 43 Primary Control Points.

TASK 10: DEVELOP MONTHLY PRECIPITATION AND EVAPORATION PROJECTIONS FOR TWDB QUADRANGLES

Monthly precipitation, as simulated by the same global climate models and for the same two future scenarios described in Task 7, will be downscaled to a 1/16th degree grid covering the Colorado River basin in Texas. These high-resolution gridded projections will then be spatially averaged to generate monthly precipitation projections for the TWDB quadrangles covering and adjacent to the Colorado River Basin.

Evaporation for the same TWDB quadrangles will be calculated using a similar approach to that of streamflow. Specifically, customized evaporation formulae will be calculated for each quadrangle, based on observed historical temperature and precipitation predictors and these will be driven by future climate predictors to quantify projected changes in evaporation under a changing climate.

TASK 11: PROVIDE CLIMATE PROJECTIONS FOR WATER DEMAND FORECASTING

To assist in water demand forecasting, consultant will provide climate projections (daily temperature, precipitation, and evaporation) for each weather station and hydrological projections calculated in TASK 7 in the form of clearly labeled comma-separated CSV text files. Consultant will provide this data to other consultants involved in the IWRP as well as Austin Water for time periods centered on 2020, 2040, and 2070. End-of-century quantitative results will also be summarized and qualitatively extrapolated to 2115 using explicit expert judgment (since the majority of climate model simulations end at 2100).

TASK 12: SUMMARIZE RESULTS AND RECOMMENDED FUTURE WORK

Consultant will prepare graphs, charts, spreadsheets and presentations to be used by and discussed with the City, the AIWRPCTF, and the City's Hydrologist/WAM Consultant. Consultant will be available to make up to 4 presentations on results at public meetings.

Consultant will coordinate with City staff to ensure that deliverable results are formatted to fit the City's needs (for instance, ensure the units of the data correspond to units used in the WAM system).

Consultant will identify and discuss limitations of the current analysis as planning tool, and how future analyses may address these limitations. Discussion shall include 1) the current analysis's ability (or inability) to quantify probabilities and characteristics of outlier climatic events like the heat and drought of Summer 2011; and 2) options for, and the potential significance of, extending the time-series data using proxy sources (tree rings or speleothems) for paleohydrologic and paleotemperature data.

TASK 13: COORDINATE WITH PROJECT TEAM AND CONSULTANTS WORKING ON THE IWRP

Consultant will coordinate with the project team, including the Main IWRP Consultant, the City's Hydrologist/WAM Consultant, and other consultants working on the IWRP, to support incorporation of climatic projections and hydrologic forecast data into the evaluation of water supply options and into the evaluation of disaggregated demand modeling and forecasting. Coordination will proceed on an approximately two month basis via quarterly progress updates and online conference calls at key milestones during this project to provide information on progress and answer questions. Subsequent to providing and summarizing results described in Tasks 10 and 11, Consultant will be available for approximately 6 virtual meetings to coordinate with the City and IWRP Consultants. This coordination is anticipated to include providing information on results, models, methodologies, etc. to facilitate incorporating climate change projections and hydrologic forecasts into the IWRP. Additionally, consultant should be available for up to 4 in-person meetings to facilitate incorporation of the work described in this Scope of Services into the IWRP. Consultant may be meeting with other IWRP consultants City Staff and presenting at AIWRPCTF or other public meetings at appropriate times as determined by City Staff during the IWRP development. Currently, the Main IWRP Consultant team is projected to begin work mid-2016 and culminate in late 2017.

Deliverables

Deliverables will consist of the following:

1. Graphs, charts, data files, and presentations to summarize results for climate projections and hydrologic parameter forecasts for streamflow and evaporation. Forecasts for streamflow should be provided for locations corresponding to the 43 Primary Control points in the Colorado River Basin WAM. Forecasts for evaporation and monthly precipitation should be provided for TWDB quadrangles covering and adjacent to the Colorado River Basin. Spatially distributed times-series data should be provided for streamflow so that entire WAM period of record (1940-2013) can be adjusted to reflect potential climate change impacts for time periods centered on the years 2020, 2040, and 2070. End-of-century quantitative results will also be summarized and qualitatively

extrapolated to 2115 using explicit expert judgment (since the majority of climate model simulations end at 2100).

2. As necessary to document the modeling and analysis described above, memoranda supporting the work described in this Scope of Services.

Time, Schedule, and Cost Estimate

This contract for these services is expected to be a 24-month contract with total billings expected to be \$115,613 including travel costs.

TASK 1: OBTAIN HISTORICAL STREAMFLOW, EVAPORATION, AND PRECIPITATION DATA FOR THE GAUGES CORRESPONDING TO THE 43 PRIMARY CONTROL POINTS

TASK 2: NATURALIZE DAILY HISTORICAL STREAMFLOW FOR ALL GAUGES

TASK 3: IDENTIFY WEATHER STATIONS AND OBTAIN OBSERVED DAILY WEATHER DATA

TASK 4: CALCULATE OBSERVED CLIMATE PREDICTORS

TASK 5: QUANTIFY OBSERVED STATISTICAL CORRELATIONS BETWEEN CLIMATE PREDICTORS AND HYDROLOGIC PARAMETERS AT THE SELECTED GAUGES

TASK 6: PREPARE SUMMARY OF RESULTS AND DISCUSS WITH CITY

TASK 7: DEVELOP CLIMATE PROJECTIONS FOR WEATHER STATIONS AND CALCULATE FUTURE CLIMATE PREDICTORS

TASK 8: CALCULATE AND SUMMARIZE FUTURE CLIMATE INDICATORS NEW TASK

TASK 9: BUILD AND UTILIZE STATISTICAL MODEL TO PROJECT FUTURE HYDROLOGIC PARAMETERS

TASK 10: DEVELOP MONTHLY PRECIPITATION AND EVAPORATION PROJECTIONS FOR TWDB QUADRANGLES NEW TASK

TASK 11: PROVIDE CLIMATE PROJECTIONS FOR WATER DEMAND FORECASTING EXPANDED TASK

TASK 12: SUMMARIZE RESULTS AND RECOMMENDED FUTURE WORK (INCLUDES UP TO 4 IN-PERSON MEETINGS + TRAVEL EXPENSES) EXPANDED TASK

TASK 13: COORDINATE WITH PROJECT TEAM AND CONSULTANTS WORKING ON THE IWRP (INCLUDES UP TO 6 VIRTUAL MEETINGS AND FOLLOW-UP) EXPANDED TASK

ATMOS Research and Consulting
TECHNICAL PROPOSAL FOR THE CITY OF AUSTIN
Climate Projections and Analysis for the City of Austin

We appreciate this opportunity to support the city of Austin's resolution to assess climate projections for central Texas over the coming century. Assessing the potential impacts of climate change on a city such as Austin is a challenging task, but one that is essential to the future resiliency of the city. Climate is already changing, and failure to account for these changes can increase economic, social, and environmental vulnerability to both average conditions and weather and climate extremes.

Our previous experience includes developing high-resolution climate projections and assessing impacts across sectors including agriculture, energy, infrastructure, health, and water for the state of California (2004), the Northeast (NECIA, 2007), the city of Chicago (2008), the Great Plains region (USGCRP, 2009), the Dept. of Transportation (Gulf Coast, 2012), the EPA (global and national, ongoing), the state of Delaware (2013), and the Third U.S. National Climate Assessment (ongoing).

The goal of this proposed work is to draw on previous and existing research, supplemented by a limited analysis for the general region of Austin, to identify the qualitative direction and uncertainty associated with projected future trends in a set of temperature- and precipitation-based climate indicators relevant to the city.

I. TECHNICAL APPROACH

Development of high-resolution projections of climate indicators requires: (1) future scenarios that describe how human activities may affect global climate; (2) global climate model simulations to translate future scenarios into regional climate; (3) a statistical downscaling model that is able to resolve the relationship between large-scale regional change and local impacts at an appropriate spatial and temporal scale for the desired outputs, and (4) long-term historical observations that can be used to train the statistical model. Each of these inputs requires decisions regarding which scenarios, models, and data sources should be used.

The 2009 Second U.S. National Climate Assessment compared projected climate changes under the SRES scenarios (2000) based on the CMIP3 global climate models. The upcoming 2014 Third U.S. National Climate Assessment will compare climate changes under both the SRES and the new RCP scenarios (2009) based on the CMIP5 global climate models. Here, we propose to summarize those existing projections for the southern Great Plains region and supplement them by downscaling and analyzing projections for one representative weather station in the Austin area, the airport station, based on RCP/CMIP5 projections for the region. Projections will be downscaled using the Asynchronous Regional Regression Model (ARRM) as used in the Second and Third U.S. National Climate Assessments. Station-level observations for the Austin airport location consisting of daily maximum and minimum temperature and precipitation will be obtained from the Global Historical Climatology Network, produced by the National Oceanographic and Atmospheric Administration's National Climatic Data Center, filtered using our quality control algorithm to identify and remove erroneous values that we have previously noted in the GHCN database.

Pre-existing projections will be used to provide an overview of trends in seasonal temperature and precipitation and (as available) climate extremes over both the historical and future time periods. Climate projections for the sample airport weather station will be summarized for 10 climate indicators as follows:

1. Annual average winter minimum (low) temperature
2. Annual average summer maximum (high) temperature
3. Cumulative annual precipitation
4. Days per year with maximum temperature exceeding 100°F
5. Days per year with maximum temperature exceeding 90°F

6. Nights per year with minimum temperature below 32°F (freezing)
7. Accumulated annual cooling degree-days (a proxy for air conditioning use)
8. Total number of dry days per year (precipitation < 0.01" in 24 hours)
9. Total number of days per year with 24 hour precipitation exceeding 2 inches
10. Average precipitation on the wettest 5 consecutive days of the year

II. DELIVERABLES

Deliverables will consist of the following:

1. An Excel file containing data and simple line and bar charts summarizing future projections for the sample weather station for the 10 secondary climate indicators corresponding to the historical period 1990-2010 and the future periods 2030-2050 and 2080-2100.
2. A Powerpoint file containing: (1) key graphics and explanatory text based on both pre-existing projections as well as those generated in this work, and (2) an outline of the proposed framework to develop a comprehensive set of customized projections for the city under a subsequent task order.
3. A short white paper (~2 pages) that summarizes the methodology and main results of the climate analysis presented in the Powerpoint
4. Three presentations to the city based on the Powerpoint above.

III. PROJECT MANAGEMENT

Upon award of this task, within two weeks ARC will hold a kickoff call with the city to discuss decisions and priorities for the work ahead. ARC will review the proposed work during the kickoff call and confirm which analyses to pursue. Dr. Hayhoe will commit to three presentations: (1) a presentation of project methodology in February; (2) an initial presentation of results in early April; and (3) a presentation of final results in early May. At the conclusion of the project, ARC will submit all deliverables listed above to the client.

IV. PROJECT BUDGET

Please see cost estimate, attached separately.



Council Question and Answer

Related To	Item #22	Meeting Date	April 21, 2016
Additional Answer Information			

QUESTION: 1) How is this different than the Feb 25, 2016 Agenda Item # 26: Authorize award and execution of a 60-month contract with TIBH INDUSTRIES, INC. to provide landscaping maintenance services at various City facilities in an amount not to exceed \$4,875,000. Did TIBH Industries, Inc bid on item 22? 2) Who had the previous contract and what were the general terms? 3) Did the previous contract include conditions regarding the City's Climate Protection? 4) Has the City received any complaints from MBE/WBE regarding not being able to bid, or not bidding due to the City's Climate Protection initiatives? COUNCIL MEMBER ZIMMERMAN'S OFFICE

ANSWER: 1) This Request for Council Action (RCA) is different from the RCA brought forward on the February 25, 2016 agenda with TIBH Industries, Inc. The contract awarded to TIBH Industries, Inc. provides for Citywide landscaping maintenance services which includes mowing and trimming services on City-owned properties. The RCA on this week's agenda, with EcoCutter, is for the mowing of public right of ways, medians and urban trails which may require permitting and traffic management services.

Unlike the previous solicitation, which was exempt from competitive bidding under state law (Texas Human Resources Code, Section 122.017 and Texas Local Government Code Section 252.022(a) (13)), this solicitation was competitively bid.

2) The previous contract was issued to maintain three zones (south, central, and north), and are with Pampered Lawns Austin, Inc., EcoStar Lawn and Landscape Management, and Greater Texas Landscape Inc. According to the terms of the previous contract, each contractor was responsible for maintaining an assigned list of public right of ways and medians on a monthly basis.

3) The previous contract did include the conditions regarding the City's Climate Protection initiatives. The previous contract required contractors to use cleaner-burning and alternative fueled equipment. The previous contractors also used large-engine lawn equipment that used alternative fuels including low-emissions propane or bio-diesel.

4) In an attempt to increase participation the assigned Buyer contacted several vendors who indicated their interest in this solicitation through Austin Finance Online. Of the approximately 30 vendors contacted, two indicated they would not be pursuing this solicitation as they did not possess the required equipment – these vendors were not M/WBEs and their response were not conveyed as complaints. Aside from this limited feedback, Purchasing received no complaints from vendors concerning their inability to bid due to the City's Climate Protection initiatives.



Council Question and Answer

Related To	Item #22	Meeting Date	April 21, 2016
Additional Answer Information			

QUESTION: 1) Please provide a list of the M/WBE contractors that were solicited. 2) Please provide the date the solicitation went out, and the date the response was due? 3) Is there an allowance or stipend offered or made available for the clean burning and alternative fuel powered equipment that is preferred by the City? Was this criteria noticed in the solicitation? 4) Was this a contract for the lowest bidder? Or locally preferred? COUNCIL MEMBER HOUSTON'S OFFICE

ANSWER:

1) The following M/WBE contractors were notified of the solicitation:

Vendor Name	Ethnicity	Certification	Expire Date
AFFORDABLE LAWN CARE AND LANDSCAPING INC	Hispanic	Minority/Women Owned Business	2/8/2019
ALEON PROPERTIES, INC.	African American	Minority/Women Owned Business	9/10/2017
AVERY'S LAWN CARE & LANDSCAPING LLC	African American	Minority/Disadvantaged Owned Business	7/8/2018
ELITE TURFCARE GROUP LLC	Woman	Women-Owned Business	5/20/2018
ENVIRONMENTAL SURVEY INC	Woman	Women-Owned Business	3/10/2017
KIN PERFORMANCE CONTRACTORS LLC	Asian	Minority/Women/Disadvantaged Owned Business	11/8/2016
LORRAINE FLORES	Hispanic	Minority/Women/Disadvantaged Owned Business	12/2/2017
ROADWAY SPECIALTIES INC	Woman	Women-Owned Business	7/25/2017
SANTOS JAIMES	Hispanic	Minority/Disadvantaged Owned Business	10/22/2018
UNITY CONTRACTOR SERVICES, INC	African American	Minority/Disadvantaged Owned Business	7/23/2016
VAQUERO COMMERCIAL, INC.	Hispanic	Minority/Disadvantaged Owned Business	11/19/2017
VERDI LAND PLANNING LLC	Woman	Women/Disadvantaged Owned Business	11/1/2016
ZLYNX ENTERPRISE, INC	African American	Minority/Disadvantaged Owned Business	5/1/2017

2) The solicitation was published on January 25, 2016 and closed on February 24, 2016.

3) As clarified by the CM's office, the allowance or stipend referred to in the question means an incentive or assistance for vendors who need to purchase the necessary equipment to be able to bid on solicitations.

Answer: While there may be some funding sources available to residents through the City's Incentives and Rebates programs (see: <http://austintexas.gov/resident/household>), Purchasing is not aware of any programs to provide equipment or financial assistance to firms to enable them to provide contracted services to the City.

Background: Allowances are periodically used in larger capital projects and construction contracts when the price of equipment or service to be provided in the resulting contract is considered to be common to all bidders but will not be known to the bidders at the time bids will be open. E.g., Allowance for lighting fixtures in a building. In such instances, the Government may insert an allowance (a price the Government assumes unknown item will cost) into the solicitation's price sheet to act as a placeholder. The bidders then provide pricing for all other line items in their bid. After the contract is awarded, the contractor will determine the actual price of the item and submit it to the Government for approval prior to purchasing the item and then charging the Government the amount of the allowance. Once purchased by the bidder and conveyed to the Government, the item then belongs to the Government – typically as a component of the larger project or construction. Generally speaking, the purpose of the allowance is to reduce the bidders' risk of estimating their costs to purchase the item and then adding the uncertain costs into their bid). By reducing this uncertainty, the Government should experience more competitive pricing. This approach however is uncommon and typically is only used in larger capital projects and construction – not in service contracts.

4) The recommended Contractor is the lowest bidder. In accordance with state procurement statutes, local preference may apply any time if the lowest bidder is not local and second-lowest bidder is local. As the second-lowest bidder was higher in price than the amount established in state law, the local preference did not apply for this solicitation.



Council Question and Answer

Related To	Item #24	Meeting Date	April 21, 2016
Additional Answer Information			

QUESTION: 1) Why did Woods Maintenance Services, Inc withdraw their bid? 2) Will this graffiti removal include any graffiti on Austin Energy assets, including ones that are not in the City limits? 3) Is there a Service Level Agreement for how quickly Aleon Properties, Inc will remove the graffiti after being notified of it (including on Austin Energy assets that are outside the City limits)? 4) What is the process if a resident notices graffiti on facilities or other City assets to have them removed? COUNCIL MEMBER ZIMMERMAN'S OFFICE

ANSWER: 1) The previously recommended bidder (Woods Maintenance Services) sent in a letter indicating they no longer wished to do business with the City. Their reasons for withdrawing are set forth in the attached letter.

2) The graffiti removal contract includes City-owned facilities so Austin Energy assets will be included, regardless of location.

3) The contract will specify that the Contractor is required to respond to a job assignment within 24 hours of notification from an authorized City employee, except for weekends or holidays, unless specifically requested by the City Contract Manager.

4) The process a resident should use when noticing graffiti on facilities or other City assets is as follows, per the Health and Human Services Department's website:

- Citizens should call 9-1-1 if they see anyone in the act of graffiti.
- Citizens should call 3-1-1 or use the 3-1-1 app to report graffiti on any building in the City of Austin.
- A request for graffiti removal can also be made online: [Request a City Service](#)

For instances, where the City does not own the property, the City will contact the property owner to make arrangements for clean-up.



WOODS
MAINTENANCE
SERVICES, INC.

CA 741322
NV 58462
AZ 282667

April 6, 2016

City of Austin
Ms. Sai Purcell
sai.xoomsai@austintexas.gov

SENT VIA E-MAIL

Dear Ms. Purcell:

The Graffiti Abatement procurement was opened in December of 2015, and what should have been an extremely easy award, has dragged on for 4 months, with a request to extend our bid for an additional 2 months, after already granting a 30 day extension on March 31st.

Unfortunately, Woods Maintenance Services, Inc/Graffiti Control Systems, will be unable to extend our bid for any further length of time. Having been in business for over 40 years, and being one of the largest graffiti abatement contractors in the country, we have never had this length of delay on a bid award for a protest without merit.

It is even more apparent now that the City of Austin, does not wish a contractor from an outside jurisdiction, even when it is cost effective to have them. Having met all of the requirements to bid, submitting the lowest responsive bid, extending the time for the bid to be evaluated, and having explained verbally and in writing what the apparent misunderstanding was, seems to have fallen on deaf ears.

WMS/GCS does not wish to begin a contractual relationship when we are battling forces that are working behind the scenes to prevent that relationship from ever coming to fruition. In order to save any further time and money justifying our position when it is clear we are not wanted, Woods Maintenance Services, Inc., hereby withdraws its bid so that the City of Austin may continue on the path they obviously have chosen.

We are releasing the City of Austin from any obligation to award the pending procurement to our company, and they remain free to do whatever it is they are of a mind to do. We wish you the very best in this endeavor.

Sincerely,

A handwritten signature in black ink that reads "Barry K. Woods". The signature is written in a cursive, slightly slanted style.

Barry Woods
President

(O) 800.794.7384
(F) 818.764.2516
www.graffiticontrol.com

7260 ATOLL AVENUE
NORTH HOLLYWOOD, CA
91605